



DRAFT ANNUAL BUDGET
OF
UPHONGOLO MUNICIPALITY
2018/19 TO 2020/21

**MEDIUM TERM REVENUE AND
EXPENDITURE FRAMEWORK**

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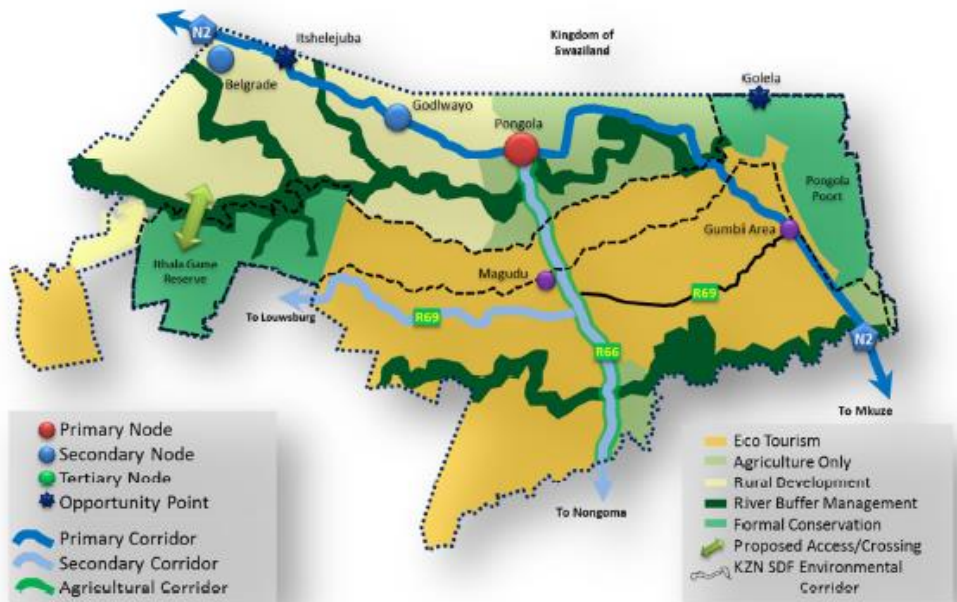
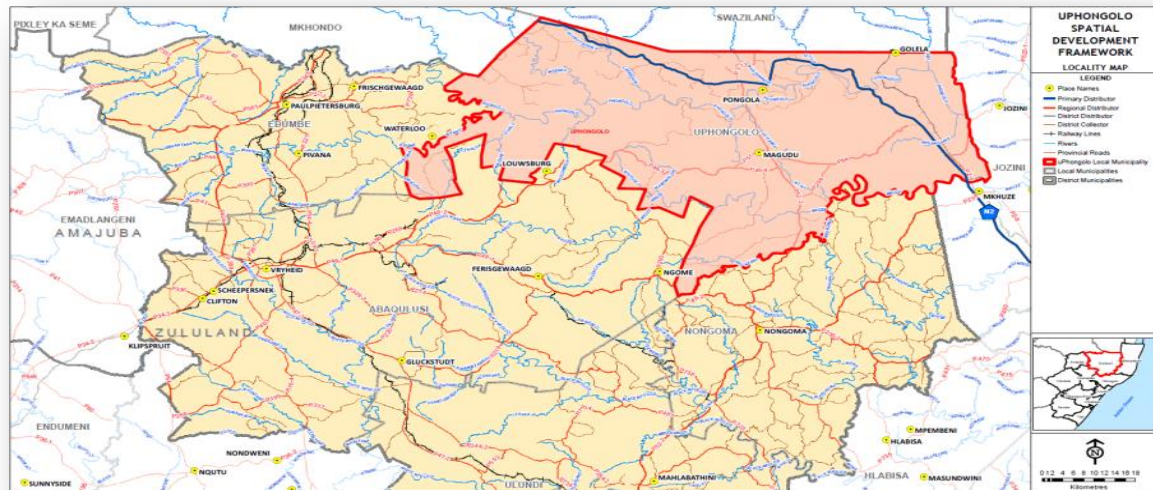
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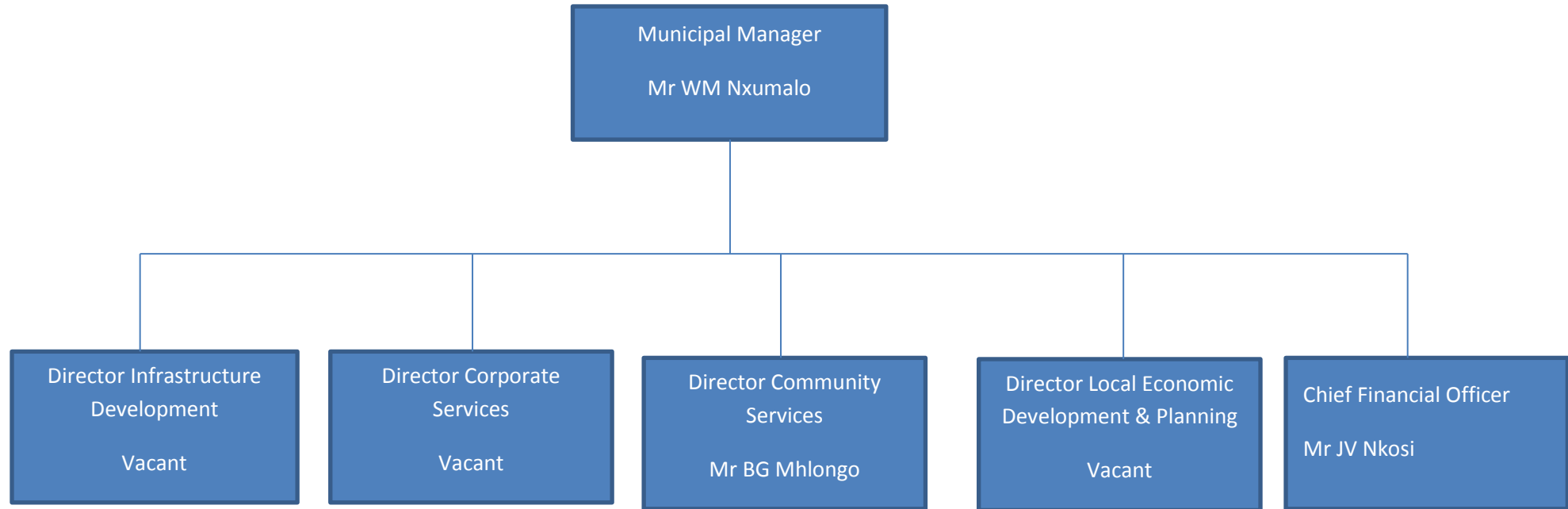
ABBREVIATIONS AND ACRONYMS

CPIX	Consumer Price Index
DoRA	Division of Revenue Act
EXCO	Executive Committee
GDP	Gross Domestic Product
GRAP	Generally Recognised Accounting Practice
IDP	Integrated Development Plan
MM	Municipal Manager
MFMA	Municipal Finance Management Act
MPRA	Municipal Property Rates Act
MTREF	Medium Term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NT	National Treasury
PT	Provincial Treasury
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan

MAP OF UPHONGOLO AREA



ORGANISATIONAL STRUCTURE



UPHONGOLO MUNICIPALITY PROFILE

VISION OF THE MUNICIPALITY

uPhongolo Local Municipality will evolve into a dynamic socio-economically driven, healthy and sage environment through sustainable service delivery.

MISSION

To ensure provision of sustainable service delivery in order to improve the quality of life of the communities within our area of jurisdiction.

VALUES

- Transparency
- Commitment
- Innovation
- Integrity
- Co-operation

LOCAL ECONOMY

Agriculture and tourism form the basis for the municipality's economy. Large areas of sugarcane and citrus are cultivated in the region. Here is the municipality that provides regional access to a wide range of tourist attractions outside its boundaries. It has within its area of jurisdiction two key tourist attractions: The Ithala Game Reserve and Pongolapoort dam. The attractions are complemented by a large number of game reserves, on which a number of lodges and other tourist facilities are located.

CLIMATE

The uPhongolo Municipality has a hot climate with sunshine for the most part of the year.

STATE OF THE ECONOMY

The 2018 Medium Term Budget Policy Statement notes that, while the global economic outlook has improved, it is clouded by the prevailing policy uncertainty due to the increasing pressure within the world trading system. These factors may jeopardise South Africa's prudent macroeconomic and fiscal policies, which include inflation targeting and a flexible exchange rate, the local economy's ability to adjust volatility and the investment platform.

GDP growth rate is expected to grow by 0.7 per cent in 2018, 2 per cent in 2019 and 1.9 per cent in 2021 respectively. This forecast is supported by marginally higher global growth, stabilizing commodity prices, greater reliability of the electricity network, more favourable weather conditions, recovering business and consumer confidence, and improved labour relations. The positive trajectory marks a shift from several years of declining growth however, thus is still not high enough to markedly reduce unemployment, poverty and inequality.

The persistent high unemployment rate was 26.7 per cent in the fourth quarter of 2017. In aggregate mining and manufacturing employment declined by 80 306 jobs in 2016 while the services sector created 119 189 jobs during the same period. The economy continues to create opportunities for semi-skilled and skilled workers, and to shed unskilled jobs, reinforcing poverty and inequality and widening the wage gap.

These economic challenges will continue to pressurize revenue generation and collection levels hence a conservative approach is advised for projecting revenue. Municipalities will have to improve their efforts to limit non-priority spending and to implement stringent cost-containment measures.

PART 1

DRAFT ANNUAL BUDGET

REPORT TO FINANCE COMMITTEE

MTREF DRAFT BUDGET- 2018/19 TO 2020/21

PURPOSE

The purpose of this report is to obtain approval for the Medium Term Revenue and Expenditure Framework (MTREF) Draft budget 2018/19- 2020/21 to be approved in terms of section 16 of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) and applicable National Treasury finance management reform requirements.



MAYORAL BUDGET SPEECH

- **Honourable Speaker: VG Masuku**
- **Amakhosi**
- **Deputy Mayor Honourable B Mvelase**
- **Members of the Executive Committee**
- **Chairperson of MPAC**
- **Honourable Councillors**
- **Municipal manager and all heads of department**
- **Business community**
- **All stakeholders present**
- **Members of the public**
- **Ladies and gentlemen**

Honourable Speaker two years has almost passed since we assumed office as this council. This narrows our path and implies the mere need for us to speed our mandate, which is service delivery, thus bettering the lives of our people. The tangible work that has been done promises a journey of hope with a high level of service delivery.

Honourable Speaker allow me to Commend Former President Mr J.G Zuma for the leadership and guidance he displayed during his tenure. The policies and legislations they passed has a great positive impact in the lives of South Africans. It won't go unnoticed.

We also want to congratulate and welcome with warm hands the newly elected President of the Republic, His Excellency Cyril Ramaphosa, and his entire cabinet. In them, we believe there's indeed a hope for a better South Africa.

In his State of the Nation address on the 15th February His Excellency President Cyril Ramaphosa declared 2018 the year of Nelson Mandela. The year of Unity; Renewal and jobs. Nelson Mandela is known internationally for his sacrifice with his life in return for the liberation of the South Africans, black in particular. We remain focused and motivated by his journey as we do our daily work. We are also

motivated by his many speeches his known for like if may quote one “For to be free is not merely to cast one’s chains; but to live in a way that enhances the freedom of others”. We have no choice Honourable Speaker but to take this whole year celebrating the life of this Son of the Soil.

Honourable Speaker and Councillors as our municipality is grant dependent for its survival, we need to be more innovative in responding to the President’s call for jobs. Embark on a journey to explore our God given Nature and resources to enhance the creation of jobs. There is no freedom without happiness and there is no happiness without economy.

Our mandate as Local Government is clearly stated in Section 152 of the Constitution as follows-:

- To provide democratic and accountable government
- To ensure the provision of Sustainable services to communities
- To promote Social and Economic development
- To promote safe and healthy environment

The Provincial government has also adopted a policy of set asides which will accommodate the previously disadvantaged groups i.e. youth; women; people with disability and military veterans. This is also the call we need to adhere to for us to address the imbalances of the past.

Having said that we are a grant dependant municipality we need to also mention that we have a rich revenue base of which we need to unite and work together in making sure that our revenue enhancement strategy yields positive results. It is possible Honourable members.

A number of community consultative meetings have been held at ward levels to allow members of the community to deliberate on critical issues affecting them. We have incorporated those suggestions in our IDP and draft budget in line with our Strategic objectives. We would like to thank our community for their unwavering and

continued support to this Council. This is a tight budget Honourable Speaker of course; but is intended and will address the challenges our community is faced with.

Honourable speaker preparing and presenting this budget to this council we are guided by Section 16 and 24 of the MFMA. No. 56 of 2003 and all applicable Municipal Budget Reporting and Regulations.

Considering the ongoing funding constraints some tough decisions had to be made when preparing this budget. The main challenges we experience can be summarised as follows:-

- The ongoing difficulties in the National Economy
- Aging and poorly maintained roads and electricity infrastructure
- The need to reprioritise projects and expenditure within the existing resources.
- The increase cost of bulk electricity; which is placing pressure on service tariffs to residents.
- Availability of affordable capital/ borrowing.

Honourable Speaker in preparing this budget all the above have been carefully considered.

The Minister of Finance, in his Budget Speech for 2018/2019, announced that series of proposals were set out to bolster the public finances by raising taxes and adjusting expenditure-decisions that involve difficult trade-offs. Major steps include a one-percentage point increase in the value-added tax (VAT) from 14% to 15%. This will increase the cost of living and poor people will suffer the most.

Considering these challenges new imaginative ways need to be explored to become more efficient in generating the required resources to maintain, renew and expand investment on infrastructure.

Honourable Councillors, revenue management is fundamental to the financial viability and sustainability of the municipality. In addition, section 18 of the MFMA requires that the annual budget must be funded.

Tariff setting was carefully considered to keep increases in rates and tariffs at levels that will reflect an appropriate balance between poor households and other customers which can accommodate basic service delivery and address the increasing demand for new bulk services and the replacement of ageing infrastructure.

The annual budget herewith presented provides for total operating revenue of R224,9 million which grows by 6.5% from the current budget revenue of R210,2 million and it is projected to increase to R259,9 million by 2020/21.

Revenue from property rates is expected to increase to R35,9 million which is R 1,8 million higher than the current budget allocation of R47,3 million. Revenue from service charges increases from R42,5 million to R48,3 million. The bulk of the revenue is derived from electricity at 18.1 % and followed by property rates at 15.8%.

An additional amount of R127 million is nationally and provincially allocated to the municipality to expand service delivery. The allocation in terms of the equitable share increased by R11,9 million from R 107,7 million to R119,7 million which is mainly used to provide relief to indigent households and for operating expenditure.

The total operating expenditure increased by 8.8% from the current budget operating expenditure of R227,9 million to R250 million. It is projected that it will increase to R269,2 million by 2020/21.

The infrastructure grants decreased to R34,9 million from R40,8 million.

The key expenditure allocations in the annual budget for operations include:

- R26,2 million for Executive and Council
- R68,1 million for Finance and Administration

- R29,2 million for Community and Social Services
- R9,7 million for Sports and Recreation
- R16,4 million for Public Safety
- R530 thousand for Housing
- R21,5 million for Planning and Development
- R16 million for Road Transport
- R35,7 million for Energy Sources
- R20,8 million for Waste Management
- R5,5 million for Tourism and Landing Strip

The municipality is committed to maintain infrastructure and an amount of R12,3 million is provided which constitutes 3% of the written down value of property, plant and equipment.

Honourable Councillors, I must hasten to mention that approximately 70% of the capital budget will be earmarked for infrastructural related projects.

Honourable Councillors, I'm pleased to announce that the budget is fully funded.

Tariff Increases

The proposed tariff increases to recover operational costs come to effect on 1 July 2018 and are as follows:

- An average increase in property tax of 5.3%
- And average increase in electricity revenue of 7.32% (but this is subject to change once final approved tariff has been determined by NERSA.
- And average increase in the refuse removal tariff of 5.3%

Honourable Councillors, the budget presented here today will ensure effective serviced delivery. However, there will always be challenges and our needs are many with limited resources but with this budget we will achieve our vision:-

"uPhongolo Local Municipality will evolve into a dynamic socio-economically driven, healthy and safe environment through sustainable service delivery".

In conclusion I would like to express my profound gratitude to:

- Members of the Executive Committee for the necessary political oversight during the budget process;
- Councillors, Ward Committee Representatives and CDWs
- The Municipal Manager
- The HODs of department
- All officials who played a pivotal role with the compilation of this budget.
- Amakhosi, and
- Our community for their valuable contributions in the budget process

Honourable Speaker and the House I hereby present this draft budget to you for your consideration.

I thank you.

1.2 COUNCIL RESOLUTIONS

RESOLVED BY COUNCIL

1. **THAT** the annual budget for the 2018/19 MTREF for different votes be approved as set out by the following tables:
 - 1.1 Table A1 : Budget summary
 - 1.2 Table A2 : Budget financial performance
 - 1.3 Table A3 : Budget financial performance (municipal vote)
 - 1.4 Table A4 : Budget financial performance by revenue source and expenditure type
 - 1.5 Table A5 : Budgeted capital expenditure by vote
 - 1.6 Table A6 : Budgeted financial position
 - 1.7 Table A7 : Budgeted cash flows
 - 1.8 Table A8 : Cash backed reserves (accumulated surplus reconciliation)
 - 1.9 Table A9 : Asset Management
 - 1.10 Table A10 : Consolidated basic service delivery measurement
2. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000, interest be recovered on amounts outstanding for periods longer than thirty (30) days on all debtor accounts at a rate equal to the prime bank overdraft rate applicable from time to time.
3. **THAT** in terms of Section 75A of the Local Government Municipal Systems Act, 32 of 2000 and Section 24 of Local Government Municipal Property Rates Act, 6 of 2004, approves with effect from 1 July 2018 that property tax be levied on the market value of all rateable properties subject to the allowed rebates, exemptions and reductions as follows:

3.1

CATEGORY	Proposed 2018/19	Current 2017/18
	Cents in R	Cents in R
Residential with the exclusion of the first R15 000 of assessed market value, a further R45 000 reduction on the market value of a residential property.	0.015346	0.014574
State owned property	0.019184	0.018218
Business and commercial properties	0.019184	0.018218
Agricultural properties	0.003837	0.003644
Vacant land	0.019184	0.018218
Public service infrastructure	0.003837	0.003644
Rural communal land	0.019184	0.018218
Special non-market properties	0.019184	0.018218
Farm used for other business and commercial purposes	0.019184	0.018218
Farm used for residential purposes	0.015346	0.014574

Farm not used for any purpose	0.019184	0.018218
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3.2 Rebates

3.2.1 That a 100 per cent rebate be granted to registered indigents in terms of the Indigent Policy.

3.2.2. That a 20 per cent rebate be allowed to pensioners, physically and mentally disabled persons. In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied by the applicant and his/her spouse, if any, and by dependents without income;
- The owner must be living permanently on the property;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension; and
- The property must be categorized as residential.

3.2.4 The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport.

3.3 Exemptions:

That in terms of Section 15(1)(a) of the MPRA, Act 6 of 2004, the following categories be exempted from payment of a rate levied on their property:

3.3.1 rate-able property registered in the name of a welfare organization registered in terms of the National Welfare Act, 100 of 1978.

3.3.2 rate-able property owned by public benefit organisations and used for a specific public benefit activity as listed in item 1,2 and 4 of part 1 of the ninth schedule to the Income Tax Act.

3.3.3 rate-able property owned by organisations performing charitable work.

3.3.4 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport.

3.3.5 properties in the "**municipal**" category unless a lease or sale agreement for such a property, or part thereof exists.

3.3.6 on the first 30% of the market value of public service infrastructure.

3.3.7 on the first R15 000 of the market value of the property assigned in the valuation roll to a category determined by the municipality:

- (i) for residential purposes and duets not subject to a sectional title scheme, or
- (ii) for properties used for multiple purposes, provided one or more components of the property and which forms a major part of the property, are used for residential purposes.

3.3.8 on a property registered in the name of and used primarily as a place of public worship by a religious community, including an official residence

registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship.

- 3.3.9 on those parts of a special nature reserve, national park or national reserve with meaning of Protected Areas Act or a national botanical garden within the meaning of National Management Biodiversity Act, 2004 which are not developed or used for commercial business, or residential agricultural purposes.

The owners of such properties mentioned above must apply to the Chief Financial Officer in the prescribed format for such a grant.

- 3.4 That all property rates as per paragraph 3.1 above be subjected to Value Added Tax at a zero rate.

4. **THAT** the fees for the removal of solid waste (refuse), whether the service is delivered or not, as published be approved with effect from 1 July 2018 as follows:

4.1 Tariff of charges

	Proposed Tariff 2018/19	Current Tariff 2017/18	Change
Belgrade:			
Residential property - removed twice per week (per bin)	143.95	136.70	5.3%
Business – removed twice per week (per bin)	191.92	182.26	5.3%
Government and departments removed twice per week (per bin)	191.92	182.26	5.3%
Urban			
Residential – twice per week	154.41	146.64	5.3%
Residential (Departmental) – twice per week (per bin)	154.41	146.64	5.3%
Businesses removed daily per month	1 930.32	1 833.16	5.3%
Vacant land per month	54.70	51.95	5.3%
Sectional titles removed twice per week	154.41	146.64	5.3%
Garden refuse – per meter load or part thereof	154.41	146.64	5.3%
Building rubble – per meter load or part thereof	308.82	293.28	5.3%
Residential block of flats per unit (per month)	154.41	146.64	5.3%

- 4.1.2 That for all indigent consumers enlisted under the Council's indigent support and free basic services scheme of all dwellings in the formalized informal housing settlement no fees be paid by the consumer and the levy in full be recovered from the proportional equitable share payable by the National Treasury.

- 4.1.3 That a 20% rebate be allowed to pensioners, physically and mentally disabled persons. In this regard the following stipulations are relevant:

- The rate-able property concerned must be occupied by the applicant and his/her spouse, if any, and by dependents without income;

- The owner must be living permanently on the property;
- The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension.

4.1.4 That the fees for the removal of solid waste as per paragraph 4.1 be subjected to Value Added Tax at the standard rate.

5. **THAT** the electricity tariffs for the 2018/19 financial year be approved with effect from 1 July 2018 as follows:

Category	Proposed Tariffs	Current Tariffs	Change
Domestic:			
- Basic charge	306.99	286.06	7.32%
- Energy charge per KWh	1.2904	1.2024	7.32%
Undeveloped stands			
- Basic charge	163.76	152.59	7.32%
Bulk Consumers/Industrial:			
- Basic charge	964.58	898.79	7.32%
- Demand charge per KVA	188.11	175.28	7.32%
- Energy charge per KWh	0.8115	0.7562	7.32%
Business/Commercial:			
- Basic charge	697.55	649.97	7.32%
- Energy charge per KWh	1.5585	1.4522	7.32%

5.1.1 That the electricity tariffs be approved subject to the final NERSA approval and be adjusted accordingly should further increases be approved for ESKOM.

5.2 That the fees for the removal of solid waste as per paragraph 4.1 be subjected to Value Added Tax at the standard rate.

6. **THAT** the following budget related policies be approved for implementation from 1 July 2018:
- 6.1 Free basic services and indigent policy
 - 6.2 Supply chain management policy
 - 6.3 Tariff policy
 - 6.4 Travelling and subsistence policy
 - 6.5 Asset management policy
 - 6.6 Borrowing management policy
 - 6.7 Funding and reserves policy
 - 6.8 Property rates policy
 - 6.9 Virement policy
 - 6.10 Investment and cash management investment
 - 6.11 Credit and debt collection policy
 - 6.12 Budget policy
 - 6.13 Petty cash policy
7. **THAT** the approved budget in both printed and electronic formats be submitted to National and Provincial Treasury on 7 April 2018.
8. **THAT** the approved budget be placed on the municipal website within five (5) working days from date of approval.
9. **THAT** the approved budget and supporting documentation with Council resolution be made public in terms of Section 2(A) of the Municipal Systems Act, 32 of 2000 within ten (10) working days after Council approval.

1.3 EXECUTIVE SUMMARY

The year 2017/18 has been challenging and very demanding but due to the emphasis on cost control and the introduction of austerity measures this has somewhat assisted the municipality to reduce the adverse impact of the slow economic recovery.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low-to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

National Treasury's MFMA Circulars No. 91 was used to guide the compilation of the 2018/19 MTREF.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents.
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies; and
- Availability of affordable capital/borrowing.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- The 2017/18 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2018/19 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;

- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

The following macro-economic forecasts have been taken into consideration when preparing the 2018/19 budgets and MTREF.

Inflation forecast	2018 Estimate	2019 Forecast	2020 Forecast	2021 Forecast
CPI Inflation	5.3%	5.3%	5.4%	5.5%

Nersa approved guidelines on municipal electricity price increase for the 2018/19 financial year. A guideline increase of 7.32% has been approved based on the following assumptions:

- Bulk purchases have increased by 7.32% in line with Eskom electricity tariff increases to municipalities.
- A consumer price index (CPI) of 5.3% as indicated in the Medium Term Budget Policy Statement (MTBPS) 2016.

The South African Bargaining Council Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018 has come to an end. The process is under consultation therefore; the following proposed guideline in preparing the 2018/19 MTREF budgets:

- 2018/19 financial year: 5.3%
- 2019/20 financial year: 5.4%
- 2020/21 financial year: 5.5%

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

Consolidated Overview of the 2018/19 MTREF

Summary of Budget Statement				
Description	Adjustment Budget 2017/18	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21
Total Operating Revenue	(210 300 397)	(224 997 781)	(241 972 381)	(259 991 397)
Total Capital Revenue	(40 803 768)	(34 904 300)	(38 886 900)	(40 222 600)
Total External Borrowings	(7 600 000)	(14 600 000)	-	-
Total Operating Expenditure	227 959 953	250 000 000	259 092 683	269 621 847
Total Capital Expenditure	59 951 950	53 221 200	48 575 010	43 086 615
<i>SURPLUS/(DEFICIT)</i>	17 659 556	(28 719 119)	(26 808 412)	(12 494 465)
Total Budget	287 911 903	303 221 200	307 667 693	312 708 462

Total operating revenue has grown from R210,3 million to R224,9 million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget. For the two outer years, operational revenue is projected to be R241,9 million and R259,9 million respectively.

Total capital revenue has decreased from R40,8 million to R34,9 million for the 2018/19 financial year when compared to Adjustment budget 2017/18. For the two outer years, capital revenue is projected to be R38,8 million and R40,2 million respectively.

Total external borrowings have increased from R7,6 million to R14,6 million for the 2018/19 financial year when compared to the 2017/18 Adjustment Budget.

Total operating expenditure for the 2018/19 financial year has been appropriated at R250 million. When compared to R227,9 million for the 2017/18 Adjustments Budget, operational expenditure has grown by 9.6% in the 2018/19 budget and projected to be R259,1 million for 2019/20 and R269,6 million by 2020/21.

The capital budget of R53,2 million for 2018/19 is R6,7 million lesser when compared to the 2017/18 Adjustments Budget and equates to R144,8 million over the MTREF. A substantial portion of the capital expenditure will be funded from conditional grants R34,9 million and borrowings R14,6 million. Funding from internally generated funds amounts to R3,7 million.

1.4 OPERATING REVENUE FRAMEWORK

The municipality's revenue comprises operating revenue which includes property taxes, service charges and operating grants and capital revenues which consists of capital grants, borrowings and internally generated revenue. Therefore, stable sources of revenue are one of the key factors that support the sound financial position of the municipality. In addition to the obvious need to grow the municipality's revenue by increasing its tax base, other means for securing funding for council projects must be explored in a variety of ways. The municipality does not have the wherewithal of financing the ever-increased capital projects

requirements. Sources of capital finance are already stretched with limited scope for further borrowing, consumer pressure to restrict tariff and tax increases, and little likelihood of a structural upward adjustment in grant allocations

For Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue and cash management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 77% annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.
- Improving customer relations and promoting a culture of payment.
- Creating an environment which enhances growth, development and service delivery.

The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

Summary of revenue classified by main revenue source

Revenue Source	Budget 2018/19 R'000	%	Adjustments Budget 2017/18 R'000	%
Property rates	35 999	16.0	34 187	16.3
Service charges	47 370	21.1	44 986	21.4
Rental of facilities and equipment	735	0.3	698	0.3
Licences and permits	1 566	0.7	1 488	0.7
Agency services	790	0.3	750	0.4
Fines, licences and permits	491	0.2	467	0.2
Interest income	9 645	4.3	9 159	4.4
Operating transfers and grants	127 074	56.5	117 306	55.8
Other income	1 327	0.6	1 260	0.5
TOTAL	224 997	100.0	210 301	100.0

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Operational Transfers and grants constitute a significant percentage of the revenue basket for the Municipality. Rates and service charges comprise a second of the total revenue mix. In the 2017/18 financial year, revenue from rates and services charges amounted to R79,1 million or 37%. This increases to R83,3 million (37.1%) 2018/19, R87,9 million (36.31%) and R92,7 million (35.66%) in the respective financial years of the MTREF. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality.

The revenue from property rates totals R35,9 million or 16% of total budgeted operation revenue in 2018/19 and increases to R40 million by 2020/21. Electricity revenue amounts to R36,8 million or 16.4% and increases to R41 million by 2020/21.

The revenue from refuse removal totals R10,5 million or 4.7% of total budgeted operation revenue in 2018/19 and increases to R11,7 million by 2020/21.

Operating grants and transfers totals R127,1 million in the 2018/19 financial year and increase to R151,1 million by 2020/21. The increase is attributable relates to the equitable share which increases by R24 million in the two outer years of the MTREF.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Operating Transfers and Grant Receipts

Operating Transfers and Grant Type	Budget 2018/19	%	Adjustments Budget 2017/18	%
	R'000		R'000	
Equitable share	119 730	94.2	107 746	91.9
Municipal Finance Management Grant	1 970	1.6	1 900	1.6
Expanded Public Works Programme	2 534	2.0	4 678	4.0
Provincialisation of Libraries	1 055	0.8	1 002	0.9
Community Services Grant	396	0.3	376	0.3
5% of Municipal Infrastructure Grant	1 389	1.1	1 437	1.2
Sport facilities	-	-	167	0.1
TOTAL	127 074	100.0	117 306	100.0

Impact of the annual budget

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. Municipalities must justify in their budget documentation all increases in excess of the 5.3% upper boundary of the

South African Reserve Bank's inflation target as excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increase of Eskom bulk tariff is far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and in these tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

The proposed revenue adjustments to fully recover costs are as follows:

- ***Property rates***

An average increase of 5.3%.

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The new valuation roll was implemented on 1 July 2014. This means that the valuation of properties for the 2018/19 financial year will remain the same except for properties where interim valuations have been done. The rate per category increase for individual properties will be more or less the same.

- ***Sale of Electricity***

An average increase of 7.32%.

NERSA has announced the revised bulk electricity pricing structure. The new increased tariff of 7.32% in bulk electricity to municipalities will be effective from 1 July 2018.

Considering the Eskom increases, the consumer tariff had to be increased by 7.32% to offset the additional bulk purchase cost from 1 July 2018. Furthermore, it should be noted that given the magnitude of the tariff increase, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

Registered indigents will again be granted 50 kWh per 30-day period free of charge based on the new 7.32% tariff.

- ***Refuse***

An average increase of 5.3%.

Currently a significant portion of the solid waste removal is outsourced. The waste removal service is operating at a modest surplus. It is widely accepted that the rendering of this

service should at least break even. The contractors engaged to clean the town have operational challenges which affect the cleanliness of the town, such as inadequate equipment. It is therefore proposed that the taking up of loans as a strategy for funding of the waste management machinery and equipment be considered and approved to spread the burden over the life span of the assets. As part of the 2018/19 medium-term capital programme, funding has been allocated to waste management department.

An 5.3% increase in the waste removal tariff is proposed from 1 July 2018. Any increase higher than 5.3% would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

1.5 OPERATING EXPENDITURE FRAMEWORK

The expenditure framework for the 2018/19 MTREF is informed by:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- The repairs and maintenance programme;
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made;
- Elimination of spending on non-priority items.

The following table is a high level summary of the 2018/19 budget and MTREF (classified per main type of operating expenditure):

Expenditure by Type	Budget 2018/19	%	Adjustments Budget 2017/18	%
Employee-related cost	89 103	35.6	75 914	33.4
Remuneration of councilors	9 864	3.9	9 305	4.0
Debt impairment	15 707	6.2	14 916	4.8
Depreciation and asset impairment	12 742	5.1	12 100	4.2
Finance charges	2 660	1.1	2 240	1.0
Bulk purchases – electricity	28 812	11.5	26 847	12.9
Other materials	12 930	5.2	12 212	5.6
Contracted services	21 998	8.8	23 242	11.3
Transfers and grants	2 543	1.0	2 632	2.4
Other expenditure	53 641	21.6	-	20.4
TOTAL	250 000	100.0	227 959	100.0

The operating budget provides for total operating expenditure for the 2018/19 financial year of R250 million which increases to R259,1 million for the 2019/20 financial year. For the 2020/21 the operating expenditure amounted to R269,6 million.

Employee-related costs:

The budgeted allocation for employee related costs for the 2018/19 financial year increases from R75,9 million to R89,1 million and equals 35.6% of the total operating expenditure. The Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018 has come to an end. The process is under consultation therefore; salary increases have been factored into this budget at a percentage increase of 5.3% for the 2018/19 financial year. An annual increase of 5.5% has been included in the two outer years of the MTREF. In addition, expenditure against overtime was significantly reduced to within 3% of the total salary bill.

Remuneration of Councillors:

The cost associated with the remuneration of Councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). As the new upper limits for the 2018/19 financial year have not yet been gazetted, an increase of 6% as in 2017/18 has been taken into account in compiling the Municipality's budget.

Debt impairment:

The provision of debt impairment was determined based on an annual collection rate of 77% and the Debt Write-off Policy of the Municipality. For the 2018/19 financial year this amount equates to R15,7 million and increase to R17,5 million by 2020/21. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Depreciation and asset impairment:

Provision for depreciation, amortisation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R12,7 million for the 2018/19 financial and equates to 5.1% of the total operating expenditure. Provision for the rehabilitation of the landfill site has been adjusted upwards by 5.3% (inflation rate) since there have been no changes since the last valuation.

Finance charges:

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1.1% R2,6 million of operating expenditure and increased to R3 million by 2020/21. The Municipality has not yet reached its prudential limits for borrowing – hence

the planned borrowing to finance the capital budget does not result in finance charges as a percentage of operational expenditure increasing – rather it decreases to 1.1% of total operating expenditure by 2020/21.

Bulk purchases - electricity:

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increase of 7.32% over the 2018/19 MTREF has been factored into the budget appropriations and directly informs the revenue provisions. The expenditure includes distribution losses.

Contracted services:

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2018/19 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2017/18 financial year, this group of expenditure totals R23,2 million and has decreased to R21,9 million in 2018/19. A portion of this expenditure relates to Expanded Public Works Programme (EPWP) one-year projects which address a call by National Government to all municipalities to create jobs in response to the National Development Plan (NDP). As part of the process of identifying further cost efficiencies, the significant portion of the refuse removal is undertaken by the municipality and Security Services provided to Hon Mayor, Dep Mayor and Speaker, implementation of the mSCOA regulation, further details relating to contracted services can be seen in Table SA1 (see page 69).

Priority given to repairs and maintenance:

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2018/19 budget and MTREF provide for extensive growth in the area of asset maintenance as informed by the repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Repairs and maintenance per asset class

Expenditure by Type	Budget 2018/19	%	Adjustments Budget 2017/18	%
Infrastructure – roads	5 591	43.2	5 949	48.7
Infrastructure – electricity	2 554	19.8	2 056	16.8
Other assets	4 785	37.0	4 207	34.4
TOTAL	12 930	100	12 212	100

The municipality remains committed to maintain infrastructure and an amount of R12,9 million is set aside for the 2018/19 financial year which gradually increases to R14,4 million in 2020/21 financial year.

Repairs and maintenance constitutes 12.9% of written down value (WDV) of fixed assets. National Treasury indicates a guideline of 8% provision that is considered adequate to secure the ongoing health of infrastructure assets.

For the 2018/19 financial year R8,1 million of total repairs and maintenance will be spent on infrastructure assets. Roads infrastructure has received a significant proportion of this allocation totaling, R5,5 million, followed by other assets at R4,7 million. The construction of electricity infrastructure is complete with only infills that are being electrified.

Transfers and grants:

Transfers and grants comprise free basic services. The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services, the households are required to register in terms of the Municipality's Indigent Policy. The target is to have 5 800 or more registered indigent households during the 2018/19 MTREF. Detail relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) on page 42.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. Qualifying households obtain their free electricity directly from Eskom, hence no foregone revenue is disclosed in Table A10.

Other expenditure:

Other expenditure comprises various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Due to the cash flow Going Concern raised by the Auditor General and minimal growth in own revenue. Other expenditure has been reduced by cutting down certain non-essential expenditure items, further details relating to other expenditure can be seen in Table SA1 (see page 69).

The following table gives a breakdown of the main expenditure categories for the 2018/19 financial year.

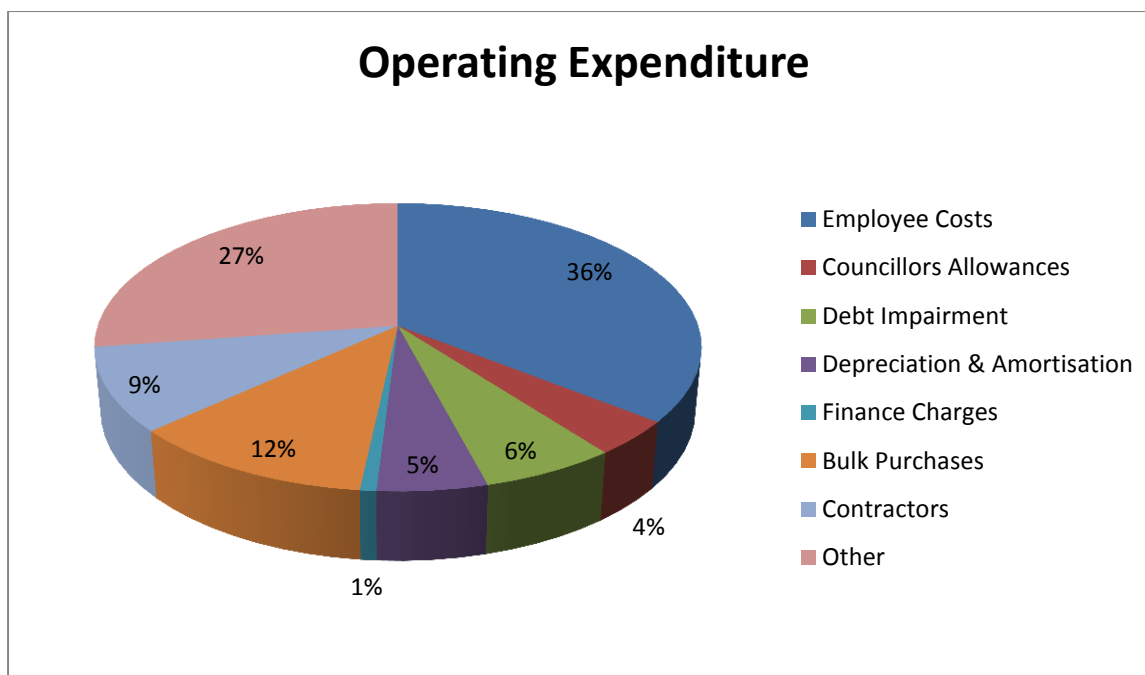


Figure 1 Main operational expenditure categories for the 2018/19 financial year

1.4 CAPITAL EXPENDITURE FRAMEWORK

For 2018/19 an amount of R21,4 million has been appropriated for the development of infrastructure which represents 47.8% of the total capital budget. In the outer years this amount totals R23,8 million, or 46.2% and R35,2 million, or 69.2% respectively for each of the financial years.

The total new assets in 2018/19 amount to R53,2 million and R48,6 million, 43,1 million in two outer years. Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management) on page 52. In addition to the Table A9, Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class (refer to pages 117; 118 and 119).

The key capital expenditure in the proposed capital budget for 2018/19 financial year is as follows:

Capital Expenditure asset class	Budget 2018/19		Adjustments Budget 2017/18	
	R'000	%	R'000	%
Roads and storm water infrastructure	12 904	29.6	12 172	20.3
Electricity infrastructure	8 500	19.5	9 000	15.0
Community	13 500	30.9	22 632	37.8
Heritage assets	-	-	4 500	7.5

Transport assets	8 850	-	601	1.0
Machinery and equipment	2 956	5.1	8 377	13.9
Computer equipment	1 311	3	1 270	2.1
Furniture and equipment	200	0.5	100	0.2
Intangible assets	-	-	800	1.3
Other assets	5 000	11.4	500	0.9
TOTAL	53 221	100	59 952	100

The following graph provides a breakdown of the capital budget to be spent on infrastructure related projects over the 2018/19 MTREF.

Capital Expenditure

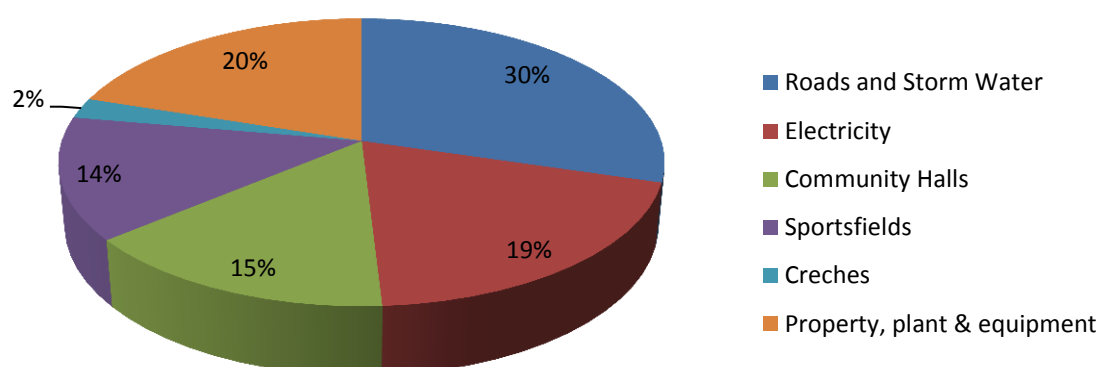


Figure 2 Capital Infrastructure Programme

Some of the salient projects to be undertaken over the medium-term includes, amongst others:

Capital Expenditure Allocations	Ward	Budget Year 2018/19	Budget Year 2019/20	Budget Year 2020/21	Source of Funds
		R	R	R	
Community Hall	8	2 500 000			MIG
Community Hall	14	2 500 000			MIG

Community Hall	12	1 500 000			MIG
Access roads	12	4 654 980			MIG
Access roads	8	3 022 970			MIG
Access roads	15	1 500 000			MIG
Access roads	10	3 726 350			MIG
Access roads	3		6 162 243		MIG
Access roads	13		6 414 243		MIG
Road Tarring	5		7 662 243		MIG
Ncotshane Sportfield	10	6 000 000			MIG
Sportfield	6		1 438 020		MIG
Sportfield	15		1 500 000		MIG
Sportfield	13		1 500 000		MIG
Creche- Candover	14		987 924		MIG
Creche	8		1 222 227		MIG
Creche	5	1 000 000			
Other				28 222 600	MIG
Electrification Programme:					
Other		8 500 000	12 000 000	12 000 000	DOE
TOTAL		34 904 300	38 886 900	40 222 600	

Funding of capital expenditure

The ability of the municipality to deliver on progress depends a lot on its funding sources which are summarized below:

Funding source	Budget 2018/19	%	Adjustments Budget 2017/18	%
National capital grants	34 904 300	65.6	36 303 768	60.6
Provincial capital grants	-	-	4 500 000	7.5
Borrowings	14 600 000	27.5	7 600 000	12.7
Internally generated funds	3 716 900	6.9	11 548 182	19.2
TOTAL	53 221 200	100.0	59 951 950	100.0

Funding Source

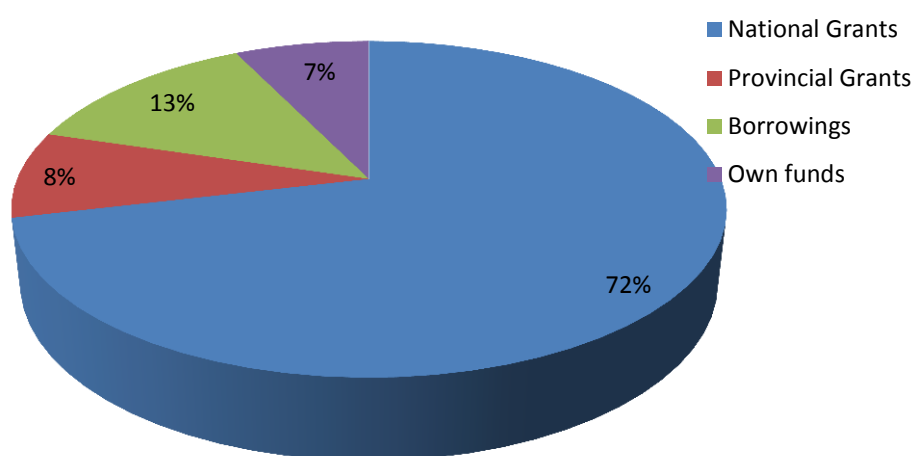


Figure 3 Funding source for the 2018/19 financial year

Future operational cost of new infrastructure

The future operational costs and revenues associated with the capital programme have been included in Table SA35 on page 121. This table shows that future operational costs associated with the capital programme totals R16,8 million in 2017/18 and escalates R18,7 million by 2019/20.

Annual Budget Tables

Table A1 Budget Summary

Description	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Financial Performance										
Property rates	26,455	26,833	31,402	33,493	34,187	34,187	34,187	35,999	37,943	40,029
Service charges	33,926	40,754	44,508	44,986	44,986	44,986	44,986	47,370	49,928	52,674
Investment revenue	1,058	1,615	1,293	1,617	1,471	1,471	1,471	1,549	1,632	1,722
Transfers recognised - operational	82,725	109,336	105,139	117,306	117,306	117,306	117,306	127,075	138,761	151,104
Other own revenue	13,183	17,155	26,987	11,333	12,351	12,351	12,351	13,006	13,708	14,462
Total Revenue (excluding capital transfers and contributions)	157,347	195,692	209,328	208,736	210,300	210,300	210,300	224,998	241,972	259,991
Employee costs	45,794	64,217	70,716	76,224	75,914	75,914	75,914	89,103	93,619	98,195
Remuneration of councillors	7,473	7,758	8,264	8,746	9,306	9,306	9,306	9,864	10,554	11,399
Depreciation & asset impairment	7,412	7,722	11,373	9,366	12,101	12,101	12,101	12,742	13,430	14,169
Finance charges	3,319	(570)	888	3,718	2,240	2,240	2,240	2,660	3,019	3,010
Materials and bulk purchases	28,100	31,829	30,890	39,252	39,060	39,060	39,060	41,742	44,070	46,494
Transfers and grants	2,913	2,451	1,657	5,265	2,632	2,632	2,632	2,544	2,681	2,828
Other expenditure	59,411	72,412	85,362	75,726	86,707	86,707	86,707	91,345	91,719	93,527
Total Expenditure	154,423	185,818	209,148	218,296	227,960	227,960	227,960	250,000	259,093	269,622
Surplus/(Deficit)	2,924	9,875	180	(9,561)	(17,660)	(17,660)	(17,660)	(25,002)	(17,120)	(9,630)
Transfers and subsidies - capital (monetary allocation)	48,447	50,572	64,286	36,304	40,804	40,804	40,804	34,904	38,887	40,223
Contributions recognised - capital & contributed assets	173	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592
Capital expenditure & funds sources										
Capital expenditure	56,104	59,920	59,908	64,335	59,952	59,952	-	53,221	48,575	43,087
Transfers recognised - capital	53,353	52,029	57,687	36,304	40,804	40,804	-	34,904	38,887	40,223
Public contributions & donations	173	-	-	-	-	-	-	-	-	-
Borrowing	-	5,217	-	20,130	7,600	7,600	-	14,600	-	-
Internally generated funds	2,577	2,674	2,221	7,901	11,548	11,548	-	3,717	9,688	2,864
Total sources of capital funds	56,104	59,920	59,908	64,335	59,952	59,952	-	53,221	48,575	43,087
Financial position										
Total current assets	92,651	88,358	82,935	69,112	80,996	80,996	80,996	73,751	66,304	66,617
Total non current assets	313,661	372,736	434,019	490,310	565,781	565,781	565,781	601,130	641,074	675,331
Total current liabilities	58,213	61,572	49,422	71,178	72,178	72,178	72,178	17,327	18,263	19,267
Total non current liabilities	9,155	12,176	16,044	25,000	25,000	25,000	25,000	13,194	8,636	9,111
Community wealth/Equity	338,945	387,346	451,489	463,244	549,599	549,599	549,599	644,361	680,479	713,569
Cash flows										
Net cash from (used) operating	58,634	51,575	59,499	37,234	45,127	45,127	45,127	44,987	51,728	54,410
Net cash from (used) investing	(56,104)	(59,958)	(59,908)	(36,304)	(40,804)	(40,804)	(40,804)	(43,621)	(48,575)	(43,087)
Net cash from (used) financing	(2,994)	5,020	(7,761)	8,739	5,141	5,141	5,141	1,750	(3,425)	(3,614)
Cash/cash equivalents at the year end	(464)	(3,363)	1,604	19,448	11,068	11,068	11,068	4,719	4,447	12,156
Cash backing/surplus reconciliation										
Cash and investments available	13,136	9,776	1,604	19,453	5,005	5,005	5,005	4,724	4,452	12,161
Application of cash and investments	12,281	1,144	(11,552)	13,547	(17,307)	(17,307)	(17,307)	(50,898)	(44,818)	(38,538)
Balance - surplus (shortfall)	855	8,632	13,156	5,906	22,312	22,312	22,312	55,622	49,270	50,699
Asset management										
Asset register summary (WDV)	147,219	147,219	-	64,334	59,952	59,952	-	53,221	48,575	43,087
Depreciation	6,665	5,963	-	9,367	12,101	12,101	-	12,101	12,742	13,430
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	10,372	6,358	-	12,405	12,213	12,213	-	12,930	13,702	14,456
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	1,781	1,088	1,088	1,146	1,146	1,208	1,274
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Explanatory notes to Table A1 - Budget Summary

- Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.

Even though the Council places great emphasis on the financial sustainability of the municipality, this is not to be done at the expense of services to the poor. The section on Free Services shows that the amount spent on free basic services and the revenue cost of free services provided by the municipality continues to increase. In addition the municipality continues to make good progress in addressing service delivery backlogs.

Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue - Functional										
<i>Governance and administration</i>		71,936	101,953	107,847	101,813	102,805	102,805	108,224	114,427	121,018
Executive and council		15,225	20,773	20,030	21,944	21,944	21,944	23,107	24,354	25,694
Finance and administration		56,711	81,179	87,818	79,869	80,862	80,862	85,117	90,072	95,324
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		13,444	20,471	20,280	23,544	23,448	23,448	30,788	39,637	46,237
Community and social services		5,368	6,841	8,363	9,680	9,654	9,654	16,439	24,514	30,282
Sport and recreation		2,626	5,448	3,781	4,117	4,154	4,154	4,198	4,425	4,668
Public safety		5,451	8,183	8,137	9,146	9,038	9,038	9,517	10,031	10,583
Housing		-	-	-	601	601	601	633	667	704
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		47,844	68,015	69,393	56,816	61,205	61,205	54,848	54,326	56,973
Planning and development		42,346	58,636	59,372	46,444	50,833	50,833	43,927	42,815	44,829
Road transport		5,498	9,379	10,022	10,372	10,372	10,372	10,921	11,511	12,144
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		68,627	49,252	70,592	56,815	57,619	57,619	59,696	65,960	68,928
Energy sources		55,301	38,205	58,056	44,269	44,217	44,217	45,584	51,086	53,236
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13,326	11,047	12,536	12,546	13,402	13,402	14,112	14,874	15,692
<i>Other</i>	4	4,115	6,574	5,502	6,053	6,028	6,027	6,347	6,509	7,057
Total Revenue - Functional	2	205,967	246,265	273,615	245,040	251,104	251,104	259,902	280,859	300,214
Expenditure - Functional										
<i>Governance and administration</i>		64,480	61,435	76,165	72,323	82,808	82,808	94,376	100,074	102,515
Executive and council		17,261	14,060	16,826	19,605	23,198	23,198	26,267	27,770	29,527
Finance and administration		47,219	47,375	59,339	52,717	59,610	59,610	68,109	72,303	72,988
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		25,133	43,241	47,117	48,662	49,934	49,934	55,931	57,362	59,977
Community and social services		5,328	18,385	19,842	20,889	24,852	24,852	29,220	29,599	30,751
Sport and recreation		6,907	8,947	13,174	12,141	9,432	9,432	9,713	10,385	10,952
Public safety		12,898	15,909	14,101	14,421	14,995	14,995	16,469	17,135	18,019
Housing		-	-	-	1,211	655	655	530	242	256
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		22,618	29,983	34,192	38,911	34,404	34,404	37,589	36,533	38,440
Planning and development		13,941	20,419	20,227	26,044	19,926	19,926	21,584	19,680	20,677
Road transport		8,677	9,564	13,965	12,867	14,478	14,478	16,005	16,853	17,764
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		38,839	43,900	47,384	53,618	56,096	56,096	56,593	59,329	62,588
Energy sources		27,498	28,906	31,678	36,509	34,458	34,458	35,781	37,551	39,612
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11,341	14,994	15,706	17,108	21,637	21,637	20,812	21,778	22,976
<i>Other</i>	4	3,352	7,259	4,291	4,783	4,719	4,718	5,511	5,796	6,102
Total Expenditure - Functional	3	154,423	185,818	209,148	218,296	227,960	227,960	250,000	259,093	269,622
Surplus/(Deficit) for the year		51,545	60,447	64,466	26,743	23,144	23,144	9,902	21,767	30,592

Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Revenue by Vote	1									
Vote 1 - Executive and Council		15,225	20,773	20,030	21,944	21,944	21,944	23,107	24,354	25,694
Vote 2 - Finance and administration		56,711	81,179	87,818	79,869	80,862	80,862	85,117	90,072	95,324
Vote 3 - Community and Social Services		5,368	6,841	8,363	9,680	9,654	9,654	16,439	24,514	30,282
Vote 4 - Sports and Recreation		2,626	5,448	3,781	4,117	4,154	4,154	4,198	4,425	4,668
Vote 5 - Public Safety		5,451	8,183	8,137	9,146	9,038	9,038	9,517	10,031	10,583
Vote 6 - Housing		-	-	-	601	601	601	633	667	704
Vote 7 - Planning and Development		42,346	58,636	59,372	46,444	50,833	50,833	43,927	42,815	44,829
Vote 8 - Roads Transport		5,498	9,379	10,022	10,372	10,372	10,372	10,921	11,511	12,144
Vote 9 - Energy Sources		55,301	38,205	58,056	44,269	44,217	44,217	45,584	51,086	53,236
Vote 10 - Waste Management		13,326	11,047	12,536	12,546	13,402	13,402	14,112	14,874	15,692
Vote 11 - Other		4,115	6,574	5,502	6,053	6,028	6,027	6,347	6,509	7,057
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	205,967	246,265	273,615	245,040	251,104	251,104	259,902	280,859	300,214
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		17,261	14,060	16,826	19,605	23,198	23,198	26,267	27,770	29,527
Vote 2 - Finance and administration		47,219	47,375	59,339	52,717	59,610	59,610	68,109	72,303	72,988
Vote 3 - Community and Social Services		5,328	18,385	19,842	20,889	24,852	24,852	29,220	29,599	30,751
Vote 4 - Sports and Recreation		6,907	8,947	13,174	12,141	9,432	9,432	9,713	10,385	10,952
Vote 5 - Public Safety		12,898	15,909	14,101	14,421	14,995	14,995	16,469	17,135	18,019
Vote 6 - Housing		-	-	-	1,211	655	655	530	242	256
Vote 7 - Planning and Development		13,941	20,419	20,227	26,044	19,926	19,926	21,584	19,680	20,677
Vote 8 - Roads Transport		8,677	9,564	13,965	12,867	14,478	14,478	16,005	16,853	17,764
Vote 9 - Energy Sources		27,498	28,906	31,678	36,509	34,458	34,458	35,781	37,551	39,612
Vote 10 - Waste Management		11,341	14,994	15,706	17,108	21,637	21,637	20,812	21,778	22,976
Vote 11 - Other		3,352	7,259	4,291	4,783	4,719	4,718	5,511	5,796	6,102
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	154,423	185,818	209,148	218,296	227,960	227,960	250,000	259,093	269,622
Surplus/(Deficit) for the year	2	51,545	60,447	64,466	26,743	23,144	23,144	9,902	21,767	30,592

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1										
Revenue By Source											
Property rates	2	26,455	26,833	31,402	33,493	34,187	34,187	34,187	35,999	37,943	40,029
Service charges - electricity revenue	2	25,986	32,259	35,130	34,992	34,992	34,992	34,992	36,846	38,836	40,972
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	7,940	8,495	9,378	9,994	9,994	9,994	9,994	10,523	11,092	11,702
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		569	709	746	717	698	698	698	735	775	818
Interest earned - external investments		1,058	1,615	1,293	1,617	1,471	1,471	1,471	1,549	1,632	1,722
Interest earned - outstanding debtors		5,152	5,119	9,066	6,831	7,689	7,689	7,689	8,096	8,533	9,003
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		357	259	202	470	467	467	467	491	518	546
Licences and permits		1,688	1,489	1,361	1,513	1,488	1,488	1,488	1,566	1,651	1,742
Agency services		952	854	795	858	750	750	750	790	832	878
Transfers and subsidies		82,725	109,336	105,139	117,306	117,306	117,306	117,306	127,075	138,761	151,104
Other revenue	2	1,066	1,455	1,252	944	1,260	1,260	1,260	1,327	1,399	1,476
Gains on disposal of PPE		3,400	7,270	13,565	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		157,347	195,692	209,328	208,736	210,300	210,300	210,300	224,998	241,972	259,991
Expenditure By Type											
Employee related costs	2	45,794	64,217	70,716	76,224	75,914	75,914	75,914	89,103	93,619	98,195
Remuneration of councillors		7,473	7,758	8,264	8,746	9,306	9,306	9,306	9,864	10,554	11,399
Debt impairment	3	7,254	13,507	14,019	10,730	14,917	14,917	14,917	15,707	16,555	17,466
Depreciation & asset impairment	2	7,412	7,722	11,373	9,366	12,101	12,101	12,101	12,742	13,430	14,169
Finance charges		3,319	(570)	888	3,718	2,240	2,240	2,240	2,660	3,019	3,010
Bulk purchases	2	21,482	25,370	26,192	26,847	26,847	26,847	26,847	28,812	30,368	32,038
Other materials	8	6,618	6,459	4,698	12,405	12,213	12,213	12,213	12,930	13,702	14,456
Contracted services		17,123	20,731	24,467	24,098	23,243	23,243	23,243	21,998	25,315	23,714
Transfers and subsidies		2,913	2,451	1,657	5,265	2,632	2,632	2,632	2,544	2,681	2,828
Other expenditure	4, 5	34,526	38,450	46,599	40,898	48,547	48,547	48,547	53,639	49,848	52,347
Loss on disposal of PPE		509	(277)	277	-	-	-	-	-	-	-
Total Expenditure		154,423	185,818	209,148	218,296	227,960	227,960	227,960	250,000	259,093	269,622
Surplus/(Deficit)		2,924	9,875	180	(9,561)	(17,660)	(17,660)	(17,660)	(25,002)	(17,120)	(9,630)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		48,447	50,572	64,286	36,304	40,804	40,804	40,804	34,904	38,887	40,223
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	173	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R259,9 million in 2018/19 and escalates to R300,2 million by 2020/21. This represents a year-on-year increase of 8% by 2020/21 financial year.
2. Revenue to be generated from property rates is R35,9 million in the 2018/19 financial year and increases to R40 million by 2020/21 and represents 13.8% of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. The tariff increases have been factored in at 5.3% for 2018/19 and 5.4% for 2019/20 and 5.5% for 2020/21.
3. Services charges relating to electricity and refuse removal constitutes the biggest component of the revenue basket of the Municipality amounting to R47,3 million for the 2018/19 financial year

and increasing to R52,6 million by 2020/21. For the 2018/19 financial year services charges amount to 18,2% of the total revenue and slightly decreases to 17.5% by 2020/21.

4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. The transfers recognised increase from R117,306 to R127,074 or R9,7 million and comprise 48.8% of the total operating revenue for 2018/19 and increase slightly to 52% by 2020/21.
5. The appropriation for employee salaries and wages for 2018/19 is R89,1 million compared to R75,9 million in 2017/18. The Salary and Wage Collective Agreement for the period 01 July 2015 to 30 June 2018 has come to an end. The process is under consultation therefore; salary increases have been factored into this budget at a percentage increase of 5.3% for the 2018/19 financial year. An annual increase of 5.5% has been included in the two outer years of the MTREF. The percentage of salaries and wages is 35.6% (2017/18: 33.4%) of the total operating budget. In addition, expenditure against overtime was significantly reduced to within 3% of the total salary bill.
6. The remuneration of Councillors has been increased by 6% to R9,8 million in 2018/19 from R9,8 million in 2017/18. The approved 2018/19 Upper Limits for Councillors have not yet been gazetted.
7. The budget for bulk purchases of electricity of R28,8 million has been increased by 7.32% National Treasury Directive in Circular 91. The municipality has submitted a tariff application to NERSA (D-Forms) for 2018/19.
8. The contracted services have increase to R21,9 million in 2018/19 and increase to R23,7 million by 2020/21. The reason for increase is based on the assumption that certain expenditure will be required in 2020/21. Contracted services represent 8.8% of the total operating expenditure. The norm is 5%. The above the norm scenario is due to the model of service delivery selected by the municipality.
9. The other expenditure budget amounts to R56,1 million in 2018/19 and decreased to R52,5 million by 2020/21. This represents a cumulative year-on-year decrease of 1.3% by 2020/21. Due to the present unfavourable state of the economy. it has been considered prudent to cut down on certain expenditure items. The other expenditure caters for the day to day operations of the Council.

A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure - Vote										
Multi-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and administration		-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 4 - Sports and Recreation		-	-	-	6,000	6,000	6,000	6,000	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		32,263	33,991	-	-	4,500	4,500	-	-	-
Vote 8 - Roads Transport		-	5,217	-	-	-	-	-	-	-
Vote 9 - Energy Sources		21,091	17,542	-	-	-	-	-	-	-
Vote 10 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	53,353	56,749	-	6,000	10,500	10,500	6,000	-	-
Single-year expenditure to be appropriated	2									
Vote 1 - Executive and Council		-	1,684	-	587	1,180	1,180	39	67	93
Vote 2 - Finance and administration		2,326	1,487	11,457	4,880	5,350	5,350	6,179	2,374	1,038
Vote 3 - Community and Social Services		-	-	-	7,892	6,395	6,395	474	1,023	296
Vote 4 - Sports and Recreation		-	-	-	4,226	2,757	2,757	-	-	-
Vote 5 - Public Safety		101	-	-	63	7,548	7,548	1,060	4,300	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		165	-	30,164	13,538	-	-	20,830	27,032	28,369
Vote 8 - Roads Transport		-	-	-	17,500	12,172	12,172	10,100	700	710
Vote 9 - Energy Sources		158	-	18,287	9,000	9,000	9,000	8,500	12,000	12,000
Vote 10 - Waste Management		-	-	-	650	5,000	5,000	40	1,080	580
Vote 11 - Other		-	-	-	-	50	50	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		2,750	3,171	59,908	58,335	49,452	49,452	47,221	48,575	43,087
Total Capital Expenditure - Vote		56,104	59,920	59,908	64,335	59,952	59,952	53,221	48,575	43,087
Capital Expenditure - Functional										
Governance and administration		2,326	3,171	11,457	5,466	6,530	6,530	6,217	2,440	1,131
Executive and council		-	1,684	-	587	1,180	1,180	39	67	93
Finance and administration		101	1,487	11,457	4,880	5,350	5,350	6,179	2,374	1,038
Internal audit		2,225	-	-	-	-	-	-	-	-
Community and public safety		101	-	-	18,125	22,700	22,700	2,034	6,023	1,006
Community and social services		-	-	-	7,836	6,395	6,395	974	1,723	1,006
Sport and recreation		-	-	-	10,226	8,757	8,757	-	-	-
Public safety		101	-	-	63	7,548	7,548	1,060	4,300	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		32,427	39,208	30,164	31,094	16,672	16,672	36,430	27,032	28,369
Planning and development		32,427	33,991	-	13,594	4,500	4,500	26,830	27,032	28,369
Road transport		-	5,217	30,164	17,500	12,172	12,172	9,600	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		21,249	17,542	18,287	9,650	14,000	14,000	8,540	13,080	12,580
Energy sources		21,249	17,542	18,287	9,000	9,000	9,000	8,500	12,000	12,000
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	650	5,000	5,000	40	1,080	580
Other		-	-	-	-	50	50	-	-	-
Total Capital Expenditure - Functional	3	56,104	59,920	59,908	64,335	59,952	59,952	53,221	48,575	43,087
Funded by:										
National Government		47,181	42,125	49,646	36,304	36,304	36,304	34,904	38,887	40,223
Provincial Government		6,172	9,904	8,041	-	4,500	4,500	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	53,353	52,029	57,687	36,304	40,804	40,804	34,904	38,887	40,223
Public contributions & donations	5	173	-	-	-	-	-	-	-	-
Borrowing	6	-	5,217	-	20,130	7,600	7,600	14,600	-	-
Internally generated funds		2,577	2,674	2,221	7,901	11,548	11,548	3,717	9,688	2,864
Total Capital Funding	7	56,104	59,920	59,908	64,335	59,952	59,952	53,221	48,575	43,087

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification;
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Single-year capital expenditure has been appropriated at R59,9 million for the 2017/18 financial year and decreases significantly to R53,2 in 2018/19 and R43 million is planned for 2020/21.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

Table A6 - Budgeted Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
Current assets											
Cash		3	5	2	5	5	5	5	5	5	5
Call investment deposits	1	13,134	9,772	1,602	19,448	5,000	5,000	5,000	4,719	4,447	12,156
Consumer debtors	1	55,171	61,711	74,073	39,502	65,834	65,834	65,834	58,332	50,579	42,563
Other debtors		24,344	16,870	7,258	10,157	10,157	10,157	10,157	10,695	11,273	11,893
Current portion of long-term receivables		—	—	—	—	—	—	—	—	—	—
Inventory	2	—	—	—	—	—	—	—	—	—	—
Total current assets		92,651	88,358	82,935	69,112	80,996	80,996	80,996	73,751	66,304	66,617
Non current assets											
Long-term receivables		—	—	—	—	—	—	—	—	—	—
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		58,795	66,065	79,630	66,065	87,630	87,630	87,630	92,274	97,073	102,412
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	254,741	306,251	354,056	423,824	477,906	477,906	477,906	508,785	543,930	572,848
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		54	350	262	350	175	175	175	—	—	—
Other non-current assets		71	71	71	71	71	71	71	71	71	71
Total non current assets		313,661	372,736	434,019	490,310	565,781	565,781	565,781	601,130	641,074	675,331
TOTAL ASSETS		406,311	461,094	516,954	559,422	646,777	646,777	646,777	674,882	707,378	741,948
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	1,955	3,642	2,459	11,391	11,391	11,391	11,391	3,250	3,425	3,614
Consumer deposits		400	1,724	2,508	1,724	2,724	2,724	2,724	2,869	3,024	3,190
Trade and other payables	4	46,614	50,309	38,447	52,167	52,167	52,167	52,167	5,000	5,270	5,560
Provisions		9,243	5,896	6,008	5,896	5,896	5,896	5,896	6,209	6,544	6,904
Total current liabilities		58,213	61,572	49,422	71,178	72,178	72,178	72,178	17,327	18,263	19,267
Non current liabilities											
Borrowing		1,736	3,745	2,647	17,219	17,219	17,219	17,219	5,000	—	—
Provisions		7,418	8,430	13,397	7,781	7,781	7,781	7,781	8,194	8,636	9,111
Total non current liabilities		9,155	12,176	16,044	25,000	25,000	25,000	25,000	13,194	8,636	9,111
TOTAL LIABILITIES		67,368	73,747	65,465	96,178	97,178	97,178	97,178	30,521	26,899	28,378
NET ASSETS	5	338,944	387,346	451,489	463,244	549,599	549,599	549,599	644,361	680,479	713,569
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		338,945	387,346	451,489	463,244	549,599	549,599	549,599	644,361	680,479	713,569
Reserves	4	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	338,945	387,346	451,489	463,244	549,599	549,599	549,599	644,361	680,479	713,569

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position.
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table A6 is supported by an extensive table of notes (SA3 which can be found on page 100) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and

- Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table A7 - Budgeted Cash Flow Statement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		14,559	51,267	12,954	25,857	34,187	34,187	34,187	28,079	29,595	31,223
Service charges		24,219	—	37,810	39,489	44,986	44,986	44,986	45,055	47,488	50,099
Other revenue		3,182	4,517	4,153	4,502	4,502	4,502	4,502	4,910	5,175	5,460
Government - operating	1	82,649	159,734	101,832	117,306	117,306	117,306	117,306	127,075	138,761	151,104
Government - capital	1	52,314	60,136	60,136	36,304	40,804	40,804	40,804	34,904	38,887	40,223
Interest		6,219	7,364	10,359	5,033	9,159	9,159	9,159	9,645	10,165	10,725
Dividends		—	—	—	—	—	—	—	—	—	—
Payments											
Suppliers and employees		(118,700)	(169,426)	(165,201)	(182,274)	(200,944)	(200,944)	(200,944)	(200,245)	(214,566)	(231,197)
Finance charges		(2,895)	570	(888)	(3,718)	(2,240)	(2,240)	(2,240)	(1,892)	(1,097)	(398)
Transfers and Grants	1	(2,913)	(2,451)	(1,657)	(5,265)	(2,632)	(2,632)	(2,632)	(2,544)	(2,681)	(2,828)
NET CASH FROM/(USED) OPERATING ACTIVITIES		58,634	51,575	59,499	37,234	45,127	45,127	45,127	44,987	51,728	54,410
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		—	310	—	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors		—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables		—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—
Payments											
Capital assets		(56,104)	(60,268)	(59,908)	(36,304)	(40,804)	(40,804)	(40,804)	(43,621)	(48,575)	(43,087)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(56,104)	(59,958)	(59,908)	(36,304)	(40,804)	(40,804)	(40,804)	(43,621)	(48,575)	(43,087)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		61	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		90	6,350	1,360	20,130	7,600	7,600	7,600	5,000	—	—
Increase (decrease) in consumer deposits		—	1,324	—	—	—	—	—	—	—	—
Payments											
Repayment of borrowing		(3,145)	(2,654)	(9,121)	(11,391)	(2,459)	(2,459)	(2,459)	(3,250)	(3,425)	(3,614)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,994)	5,020	(7,761)	8,739	5,141	5,141	5,141	1,750	(3,425)	(3,614)
NET INCREASE/ (DECREASE) IN CASH HELD		(464)	(3,363)	(8,170)	9,669	9,465	9,465	9,465	3,116	(272)	7,709
Cash/cash equivalents at the year begin:	2			9,774	9,779	1,604	1,604	1,604	1,604	4,719	4,447
Cash/cash equivalents at the year end:	2	(464)	(3,363)	1,604	19,448	11,068	11,068	11,068	4,719	4,447	12,156

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Cash and cash equivalents totals R4,7 million as at the end of the 2018/19 financial year and escalate to R12,1 million by 2020/21.
4. The 2018/19 MTREF has been informed by the planning principle of ensuring adequate cash reserves over the medium-term.

Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	(464)	(3,363)	1,604	19,448	11,068	11,068	11,068	4,719	4,447	12,156
Other current investments > 90 days		13,600	13,139	(0)	5	(6,064)	(6,064)	(6,064)	5	5	5
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		13,136	9,776	1,604	19,453	5,005	5,005	5,005	4,724	4,452	12,161
Application of cash and investments											
Unspent conditional transfers		11,098	12,763	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	2,345	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(12,037)	(19,037)	(11,552)	13,547	(17,307)	(17,307)	(17,307)	(50,898)	(44,818)	(38,538)
Other provisions		10,875	7,418	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		12,281	1,144	(11,552)	13,547	(17,307)	(17,307)	(17,307)	(50,898)	(44,818)	(38,538)
Surplus(shortfall)		855	8,632	13,156	5,906	22,312	22,312	22,312	55,622	49,270	50,699

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
2. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
3. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.
4. The municipality has assumed that all conditional grants will be fully spent at year end.
5. All statutory obligations are settled before the end of each accounting period. Monies due/owing in respect of Value-added tax are included in trading creditors and creditors respectively.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the adopted 2018/19 MTREF is funded in spite of the reduction in the surplus.

Table A9 - Asset Management

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	56,104	59,920	59,908	64,334	59,952	59,952	53,221	48,575	43,087
Roads Infrastructure		33,991	18,395	30,164	9,422	12,172	12,172	12,904	20,239	28,223
Storm water Infrastructure		17,542	17,542	18,287	9,000	9,000	9,000	8,500	12,000	12,000
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		51,533	35,937	48,451	18,422	21,172	21,172	21,404	32,239	40,223
Community Facilities		3,973	15,396	-	10,000	8,537	8,537	7,500	5,030	-
Sport and Recreation Facilities		-	-	9,486	10,881	14,095	14,095	6,000	4,438	-
Community Assets		3,973	15,396	9,486	20,881	22,632	22,632	13,500	9,468	-
Heritage Assets		-	-	-	-	4,500	4,500	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1,210	-	-	500	500	5,000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	1,210	-	-	500	500	5,000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	800	800	800	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	800	800	800	-	-	-
Computer Equipment		373	936	336	3,052	1,270	1,270	1,311	928	471
Furniture and Office Equipment		183	492	380	2,126	100	100	200	23	150
Machinery and Equipment		42	3,632	74	13,573	8,377	8,377	2,956	5,917	2,243
Transport Assets		-	2,317	1,181	5,480	601	601	8,850	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	33,991	18,395	30,164	9,422	12,172	12,172	12,904	20,239	28,223
Roads Infrastructure		17,542	17,542	18,287	9,000	9,000	9,000	8,500	12,000	12,000
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		51,533	35,937	48,451	18,422	21,172	21,172	21,404	32,239	40,223
Community Facilities		3,973	15,396	-	10,000	8,537	8,537	7,500	5,030	-
Sport and Recreation Facilities		-	-	9,486	10,881	14,095	14,095	6,000	4,438	-
Community Assets		3,973	15,396	9,486	20,881	22,632	22,632	13,500	9,468	-
Heritage Assets		-	-	-	-	4,500	4,500	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	1,210	-	-	500	500	5,000	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	1,210	-	-	500	500	5,000	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	800	800	800	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	800	800	800	-	-	-
Computer Equipment		373	936	336	3,052	1,270	1,270	1,311	928	471
Furniture and Office Equipment		183	492	380	2,126	100	100	200	23	150
Machinery and Equipment		42	3,632	74	13,573	8,377	8,377	2,956	5,917	2,243
Transport Assets		-	2,317	1,181	5,480	601	601	8,850	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		56,104	59,920	59,908	64,334	59,952	59,952	53,221	48,575	43,087

Table A9 - Asset Management (Continued)

ASSET REGISTER SUMMARY - PPE (WDV)		5									
Roads Infrastructure			107,269	107,269		9,422	12,172	12,172	12,904	20,239	28,223
Storm water Infrastructure											
Electrical Infrastructure			39,880	39,880		9,000	9,000	9,000	8,500	12,000	12,000
Water Supply Infrastructure											
Sanitation Infrastructure											
Solid Waste Infrastructure											
Rail Infrastructure											
Coastal Infrastructure											
Information and Communication Infrastructure											
Infrastructure			147,148	147,148	-	18,422	21,172	21,172	21,404	32,239	40,223
Community Facilities						10,226	4,263	4,263	7,500	5,030	
Sport and Recreation Facilities						7,655	10,869	10,869	6,000	4,438	-
Community Assets			-	-	-	17,881	15,132	15,132	13,500	9,468	-
Heritage Assets											
Revenue Generating							4,500	4,500	-	-	-
Non-revenue Generating			71	71							
Investment properties			71	71	-	-	4,500	4,500	-	-	-
Operational Buildings						3,000	3,500	3,500	5,000	-	-
Housing											
Other Assets			-	-	-	3,000	3,500	3,500	5,000	-	-
Biological or Cultivated Assets						-	-	-			
Servitudes						-	-	-			
Licences and Rights						800	800	800			
Intangible Assets			-	-	-	800	800	800		-	-
Computer Equipment						3,052	1,270	1,270	1,311	928	471
Furniture and Office Equipment						2,126	100	100	200	23	150
Machinery and Equipment						13,573	12,761	12,761	2,956	5,917	2,243
Transport Assets						5,480	717	717	8,850	-	-
Libraries						-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals						-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)		5	147,219	147,219	-	64,334	59,952	59,952	53,221	48,575	43,087
EXPENDITURE OTHER ITEMS											
Depreciation		7	6,665	5,963	-	9,367	12,101	12,101	12,101	12,742	13,430
Repairs and Maintenance by Asset Class		3	10,372	6,358	-	12,405	12,213	12,213	12,930	13,702	14,456
Roads Infrastructure			5,658	2,621	-	4,866	4,674	4,674	5,052	5,324	5,617
Storm water Infrastructure			289	128	-	1,083	1,083	1,083	1,072	1,130	1,193
Electrical Infrastructure			1,131	883	-	2,554	2,554	2,554	2,689	2,908	3,068
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			7,079	3,631	-	8,503	8,311	8,311	8,813	9,363	9,878
Community Facilities			-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	-	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			2,441	944	-	1,933	1,933	1,933	2,035	2,145	2,263
Housing			-	-	-	-	-	-	-	-	-
Other Assets			2,441	944	-	1,933	1,933	1,933	2,035	2,145	2,263
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			18	18	-	37	37	37	37	39	41
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			61	292	-	162	162	162	181	191	202
Transport Assets			774	1,473	-	1,770	1,770	1,770	1,863	1,964	2,072
Libraries			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS			17,037	12,321	-	21,771	24,314	24,314	25,031	26,444	27,886

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table A10 - Basic Service Delivery Measurement

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Household service targets	1									
Water:										
Piped water inside dwelling		-	-	-	-	-	-	-	-	-
Piped water inside yard (but not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min.service level)	4	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (min.service level)		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (50kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed once a week for indigent households)		-	-	-	-	-	-	-	-	-
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of FBS provided		-	-	-	-	-	-	-	-	-
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	1,781	1,088	1,088	1,146	1,208	1,274
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		-	-	-	1,781	1,088	1,088	1,146	1,208	1,274

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services. The Municipality continues to make good progress with the eradication of backlogs:

- a. Electricity services – backlog will be reduced significantly in 2018/19. As indicated elsewhere, the emphasis in the electricity sector is on providing electricity infrastructure to the uPhongolo households. Once the most pressing electricity backlog has been addressed, the electricity distribution network will be prioritised. It is pleasing to note that all 15 wards in uPhongolo area have been electrified, therefore the municipality is addressing the issue of infills.
 - b. Refuse services – This function is being investigated with a view to realising greater efficiencies, which is likely to translate into a more rapid process to address backlogs.
2. The budget provides for 8 500 households to be registered as indigent in 2018/19, and therefore entitled to receiving Free Basic Services. The number is set to increase to 10 000 households by 2020/21 given the unfavourable economic conditions.
3. It is anticipated that these Free Basic Services will cost the municipality R2,5 million in 2018/19, increasing to R2,8 million in 2020/21. This is fully covered by the municipality's equitable share allocation from national government.
4. Currently, the 'free services' represent about 1.0% of total operating expenditure in 2018/19. The present scenario is not acceptable given the large number of indigent households in uPhongolo.

PART 2

SUPPORTING DOCUMENTATION

2.1 Overview of the annual budget process

2.1.1 Overview

Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The budget process is an effective process that every local government must undertake to ensure good governance and accountability. The process outlines the current direction that the municipality would follow in order to meet legislative requirements.

Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of budget. Chapter 2 of the Municipal Budget and Reporting Regulations states that the mayor of the municipality must establish a Budget Steering Committee to provide assistance to the mayor in terms of the responsibilities set out in section 53 of the MFMA.

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required time schedule.

The key dates to the process were:

- **July 2017** – Submission of Draft Process Plan to COGTA.
- **August 2017** – Approval of budget preparation timetable by council.
- **August 2017** – Submission of annual financial statements to Auditor General for 2016/17 financial year.
- **September 2017** – Submission of final Process Plan to COGTA.
- **December 2017** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **January 2017** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2018** - Council considers the 2017/18 Mid-year Review and Adjustments Budget;
- **February 2018** – Submit adjustments budget to Council and revise SDBIP.
- **February 2018** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **February 2018** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2017/18 MTREF is revised accordingly;
- **March 2018** - Tabling in Council of the draft 2018/19 IDP and draft 2018/19 MTREF for public consultation;
- **April 2018** – Advertise and publish draft IDP for public comments and submit to National and Provincial Treasury.

- **April 2018** – Prepare SDBIP for 2018/19 and submit to National and Provincial Treasury.
- **May 2018** - Closing date for written comments;
- **May 2018** – Finalisation of the 2018/19 IDP and 2018/19 MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **May 2018** - Tabling of the 2018/19 MTREF and IDP before Council for consideration and approval.
- **June 2018** – Advertise final IDP and advertise of Municipal website.
- **June 2018** – Advertise 2018/19 MTREF budget on Municipal Website.
- **June 2018** – Submit final IDP and SDBIP to COGTA, National and Provincial Treasury.
- **June 2018** – Submit approved budget to National and Provincial Treasury.
- **July 2018** – Submission of draft performance agreements and plans.
- Publication of SDBIP, performance agreements and performance indicators.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the fourth generation IDP adopted by Council in March 2017. The development started in September 2016 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF in August 2017.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the first revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2017/18 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Loan and investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Back to basics to improve service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 91 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2018/19 MTREF as tabled before Council on 31 March 2018 for community consultation will be published on the municipality's website, and hard copies will be made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Submissions received during the community consultation process and additional information regarding revenue and expenditure and individual capital projects were addressed, and where relevant considered as part of the finalisation of the 2018/19 MTREF. Feedback and responses to the submissions received are available on request. The following are some of the issues and concerns raised as well as comments received during the consultation process:

2.2 Overview of alignment of annual budget with IDP

A municipal IDP provides a five-year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore

a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The IDP developed by the municipality aims at building a foundation for economic growth which is supported by the implementation of the National Development Plan (NDP). This is evidenced by a significant budget allocated to the development of the infrastructure as well Local Economic Development (LED). The municipality has a clear understanding of both national and provincial intent which will enable the municipality to strategically comply with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The National Development Plan identified a number of microeconomic reforms needed to boost economic growth and include amongst others:

- reducing cost of living for poor households;
- reducing cost of doing business;
- support for small, medium and micro enterprises (SMMEs), business start-ups, a greener and more sustainable economy; and
- support for local production, employment through government procurement and broadening and strengthening industrial development.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development plan. Therefore, the budget must link to the IDP to enable the municipality to conduct its affairs in a manner which is consistent with its IDP.

2.2.1 IDP Strategic Objectives

The annual budget is linked to the following strategic goals which are:

- To increase employee capacity by a minimum of 10% each year;
- Employment equity to be aligned with local municipality demographics;
- Balance of workload and reduction of overtime;
- Authentic well documented employee records;
- To ensure that every household has access to basic services by 2030;
- To ensure that Pongola is kept clean, habitable, safe and healthy;
- Accessible and well maintained road infrastructure;
- To move Pongola towards a green environment
- Habitable housing for all by 2030;
- A more equitable society, a more inclusive economy based on food security, self-sustainable and grounded on comparative advantages;
- Develop town sites for residential and industrial expansion;
- Ensure the municipality remains financially viable;

- To enhance revenue through the selling of municipal services to areas like Ncotshane and Belgrade;
- Support indigent community to access basic services;
- A people centered democracy that is transparent and responsive to the needs of its people; and
- To increase environmental and community safety.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities. The key performance areas can be summarised as follows against the strategic objectives:

1. Municipality transformation and institutional development:
 - Develop and approve compliant organogram and employ quality and competent staff;
 - Compliant HR system
 - Improve ICT governance; and
 - Implement the Record Management System.
 2. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide waste removal;
 - Provide housing;
 - Provide roads and storm water; and
 - Maintaining the infrastructure of the Municipality.
 3. Local Economic Development and Social Development. Economic growth and development that leads to sustainable job creation by:
 - Ensuring there is a clear structural plan for the Municipality;
 - Ensuring planning processes function in accordance with set timeframes;
 - Facilitating the use of labour intensive approaches in the delivery of services and the building of infrastructure;
 - To unleash agricultural potential;
 - Harness opportunities in the logistics sector;
 - To support SMME and promote investments; and
 - To train entrepreneurs and strengthen relationships with public department, TVET, SETAS and Private sector.
- 3.1 Fight poverty and build clean, healthy, safe and sustainable communities:
- Effective implementation of the Indigent Policy;

- Working with the provincial department of health to provide primary health care services;
- Extending waste removal services and ensuring effective city cleansing;
- Working with strategic partners such as SAPS to address crime;
- Ensuring safe working environments by effective enforcement of building and health regulations;
- Promote viable, sustainable communities through proper zoning; and
- Promote environmental sustainability by protecting wetlands and key open spaces.

3.2 Integrated Social Services for empowered and sustainable communities

- Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme.

4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:

- Optimizing effective community participation in the ward committee system; and
- Implementing Batho Pele in the revenue management strategy.

5.1 Promote sound governance through:

- Publishing the outcomes of all tender processes on the municipal website;
- Maximum community participation;
- Quality public safety;
- Functional governance structures; and
- Coordinated special programmes (HIV, women and Child abuse)

5.2 Ensure financial sustainability through:

- Reviewing the use of contracted services;
- Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan;
- Provision and management of free basic services;
- Effective asset management;
- Transparent, fair and equitable SCM;
- Improving debt collect through implementation of Revenue Enhancement Strategy; and
- Payment of suppliers in accordance with the MFMA and SCM Policy.

5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

- Review of the organizational structure to optimize the use of personnel;

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

This development strategy introduces important policy shifts which have further been translated into seven strategic focus areas/objectives as outlined below:

- Developing dormant areas;
- Enforcing hard development lines – so as to direct private investment;
- Maintaining existing urban areas;
- Strengthening key economic clusters;
- Building social cohesion;
- Strong developmental initiatives in relation to the municipal institution as a whole; and
- Sound financial fundamentals.

Lessons learned with previous IDP revision and planning cycles as well as changing environments were taken into consideration in the compilation of the fourth revised IDP, including:

- Strengthening the analysis and strategic planning processes of the Municipality;
- Initiating zonal planning processes that involve the communities in the analysis and planning processes. More emphasis was placed on area based interventions, within the overall holistic framework;
- Ensuring better coordination through a programmatic approach and attempting to focus the budgeting process through planning interventions; and
- Strengthening performance management and monitoring systems in ensuring the objectives and deliverables are achieved.

The 2018/19 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme

Performance Information, the Municipality has developed and implemented a performance management system which is constantly refined as the integrated planning process unfolds.

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

Supporting Table SA7 provides the main measurable performance objectives the municipality undertakes to achieve this financial year. Refer to IDP/SDBIP for detailed measurable performance indicators.

Supporting Table SA8 sets out the municipality's main performance objectives and benchmarks for the 2018/19 MTREF.

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The uPhongolo Municipality's borrowing strategy is primarily informed by the affordability of debt repayments.

The structure of the Municipality's debt portfolio is dominated by loans and finance leases. The following financial performance indicators have formed part of the compilation of the 2018/19 MTREF:

- *Capital charges to operating expenditure* is a measure of borrowing cost in relation to the operating expenditure and assesses the affordability of debt expenditure.

It can be seen that the cost of borrowing has steadily decreased from 1.6% in 2017/18 to 0.8% in 2020/21. This increase can be attributed to the new lease agreement to fund the acquisition of machinery and vehicles. The norm is 6%-8%. Clearly the municipality is operating below the norm which indicates that it has capacity to take on additional financing from borrowing to invest in infrastructure projects.

Although borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator will have to be carefully monitored going forward as excessive loans may have adverse financial leverage for the municipality.

Capital charges to own revenue measures the municipality's prioritization of resources and indicates the cost required to service external interest and redemption versus available funds. The ratio steadily increases from 3% in 2017/18 to 1.6% in 2019/20. The increase is attributable to the raising of external loans. Since the percentage is below the norm of 6

per cent, the municipality has capacity to take on additional financing to invest in other projects.

- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The average over MTREF remains stable and range from 84.2% in 2017/18 to 84.2% in 2019/20.

The Municipality has not raised substantial debt in the past three years. Debt service costs are expected to increase in 2018/19 due to the fact that the municipality plans to raise new loans in the 2018/19 MTREF.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the Municipality to meet its revenue targets and ensure its forecasted cash flow targets are achieved will be critical in meeting the repayments of the debt service costs.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. In 2018/19 the gearing ratio is 0% throughout the 2017/18 MTREF. The ratios are relatively low and this is primarily due to low borrowings in relation to own funds.

2.3.1.3 Liquidity

- *Current ratio* is a measure of the current assets divided by the current liabilities. The norm is 2:1 and ratio should not decrease below 1 otherwise the municipality will be at risk to finance operations.

For the 2018/19 MTREF the current ratio is 4:1 in 2018/19; 4:1 in 2019/20 and 3:1 in 2020/21. The norm range is between 1 and 3. The ratio for the 2018/19 MTREF indicates that the municipality will be able to meet its current obligations when they fall due.

The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to settle current liabilities immediately. The municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be maintained at a minimum of 1.

2.3.1.4 Revenue Management

As part of the financial viability strategy to ensure the municipality remains sustainable, revenue management and debt collection is critical. An aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

- *Annual debtors' collection rate (payment levels)* indicates the municipality's projected collection rate, debtor level payments as a percentage of revenue billed. It is projected that the collection rate over the 2018/19 MTREF will be around an average of 77% due to the implementation of the Revenue Enhancement Strategy.

- *Outstanding debtors to revenue* measures the percentage of debtors not collected from annual billed revenue. The higher the percentage, the more billed revenue is likely to remain uncollected for the period. The ratio for outstanding debtors to revenue in 2018/19 was 23.6% which indicates the amount of billed revenue that was not collected. This scenario is not acceptable and more effort is required to ensure that recoverable receivables are indeed collected lest the municipality will find itself unable to honour its commitments.

2.3.1.5 Creditors Management

The Municipality has managed to ensure that most of the trade creditors are settled within the legislated 30 days of invoice. The liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a least 100% compliance rate has been achieved. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 Other Indicators

- *Electricity distribution losses* indicate the percentage loss of potential revenue through the sale of electricity when compared to units of electricity purchased.

The electricity losses are extremely high and amounted to 16.2% in the immediate past financial year. In 2016/17 electricity losses amounted to 4,7 million kwh approximating R4 million in lost revenue despite having replaced some of the faulty meters. The municipality has embarked on a process to audit and verify all electricity meters. Further, endeavours are being made to establish other factors contributing to the loss.

- *Employee costs* as a percentage of operating revenue (excluding capital revenue) remained stable at 33.4% up to 2017/18 and slightly increase to 35.6% in 2018/19 and moderately peaked to 34.3% by 2020/21.
- *Remuneration* as a percentage of operating revenue increases from 39.5% in 2018/19 to 38.3% in 2020/21
- Repairs and maintenance as percentage of operating revenue is increasing owing directly to cost drivers such as the increasing written down values of assets (WDV). In terms of Treasury Circular 66 the budget for repairs and maintenance should at least be 8 per cent of the WDV. The repairs and maintenance rate is 5.4 in 2018/19 and 5.5% by 2020/21. This rate has been arrived at by excluding the value of land from the written down value of total assets. Note land does not depreciate.

2.3.1.7 IDP regulation financial viability indicators

In terms of the Local Government Municipal Planning and Performance Management Regulation, 2001, the following three (3) key performance indicators must be in the municipal performance management plan to express financial viability:

- *Debt coverage* measures the number of times debt payments are covered by operating revenue (excluding grants) and indicates the ease with which debt payments can be accommodated within a period. The coverage ratio is 9.4 times in 2017/18 and is expected to increase to 10.8 times in 2019/20.
- *Outstanding service debtors' to revenue ratio* is an indication of what percentage of revenue is outstanding owing by service debtors. This measures the municipality's effectiveness of its credit control and debt collection policy. The lower the ratio, the more effective is the municipal revenue management. The ratio stood at 21% in 2015/16. It is projected to decrease to 64.9% in 2019/20.
- *Cost coverage* measures the ability to meet at least its monthly fixed operating commitments from cash reserves if no revenue is collected during that month. The higher the ratio, the higher is the municipality's safety net to provide services and minimise the risk of insufficient cash to fund operations. The ratio informs that the municipality will have sufficient cash for 1 month to fund operations. More needs to be done to increase the municipality's cash reserves.

2.3.2 Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality.

For the 2018/19 financial year 8 500 registered indigents have been provided for in the budget with this figured increasing to 10 000 by 2020/21.

In terms of the Municipality's indigent policy registered households are entitled to:

- 50 kWh of electricity at a cost of R45 per household per month;
- 80% on the cost of waste removal; and
- 100% rebate on the value of property for property rates purposes.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table A10 (Basic Service Delivery Measurement) on page 42.

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies. The purpose of budget-related and financial purposes is to provide a sound environment to manage the financial actions of the municipality with relevant legislation framework.

The previous year's adopted policies were reviewed as part of the budget compilation process and will be approved by Council in March 2018.

The following are key budget-related policies:

2.4.1. Review of credit control and debt collection procedures/policies

This policy is required in terms of section 96 of the Municipal Systems Act, 32 of 2000 to provide for credit and debt collection procedures and mechanisms to ensure that all consumers pay for services supplied.

While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to ensure that it is in concert with the Municipal Systems Act.

2.4.2. Asset Management, Infrastructure Investment and Funding Policy

This policy has the purpose to prescribe the accounting and administrative procedures relating to property, plant and equipment (assets). This policy was not reviewed during the current year.

2.4.3. Budget Policy

This policy captures the principles which must be followed in preparing a medium term revenue and expenditure framework budget. It further ensures that the budget reflects the strategic outcomes embodied in the IDP and related strategic policies. An amended policy will be considered by Council in March 2018.

2.4.4. Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The reviewed Budget and Virement Policy was approved by Council on 24 March 2017 in respect of both Operating and Capital Budget Fund Transfers. An amended policy will be considered by Council in March 2018.

2.4.5. Borrowing Policy

The purpose of the policy is to establish a borrowing framework for the municipality and to set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds in order to:

- Manage interest rate and credit risk exposure;
- Maintain debt within specified limits and ensure adequate provision for the repayment of debt; and
- Ensure compliance with all legislation and Council policy governing borrowing of funds.

2.4.6. Cash Management and Investment Policy

The Municipality's reviewed Cash Management and Investment Policy was approved by Council on 24 March 2017. An amended policy will be considered by Council in March 2018. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.4.7. Petty Cash Policy

This policy governs the issuing of petty cash in terms of the supply chain management policy and the effective utilisation of petty cash according to authorised processes only. An amended policy will be considered by Council in March 2018.

2.4.8. Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in July 2006 and was last reviewed in December 2013 to take into account the new regulations. An amended policy will be considered by Council in March 2018.

2.4.9. Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Tariff Policy; and
- Indigent Policy.

The draft policies mentioned above will be approved by Council on 31 March 2018.

2.5 Overview of budget assumptions

2.5.1 External factors

South Africa faces exceptionally difficult global and domestic economic conditions over the next several years. Deteriorating global conditions expose the depth of South Africa's external vulnerabilities and the internal constraints that limit its potential for growth.

The 2016 budget review informs that the global outlook for economic growth is subdued, weighed down by a prolonged slump in commodity prices and slower growth in China. There is a pronounced slowdown in developing countries, with some in deep recession. South Africa's low savings rate makes the country vulnerable to external shocks, as do domestic structural weaknesses.

South Africa's GDP growth has fallen behind the rate of population increase, resulting in declining per capita incomes. In other words, the average South African is becoming poorer.

Domestic growth forecasts over the medium term – government's three-year budgeting window – have been revised down. The National Treasury projects GDP growth of 1.5% in 2018, improving gradually to 1.8% in 2019 and 2.1% in 2020. Domestic inflation is lower, largely as a result of declining oil prices. However, the depreciation of the Rand and the current drought gripping many parts of the country, pose some risk to the inflation outlook. Furthermore, the electricity supply shortages pose the largest domestic risk to growth.

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2018/19 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's communities and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

Employee related costs comprise 35.6% of total operating expenditure in the 2018/19 MTREF. The Salary and Wage Collective Agreement, with the South African Local Government Bargaining Council, for the period 01 July 2015 to 30 June 2018 has come to the end. The process is under consultation. The employee cost for 2018/19 has been budgeted for at 5.3% (inflation linked) and for 2019/20 to 2020/21 at expected CPI of 5.4%. and 5.5% respectively.

Economic Indicators	Basis of Projection	2018/2019	2019/2020	2020/2021
Projected CPI	MFMA Circular 91	5.3%	5.4%	5.5%
Economic growth (GDP)	Budget Review 2017	1.5%	1.8%	2.1%
Bulk electricity purchases	MFMA Circular 91	7.32%	5.5%	5.5%
Employment related cost	CPI	5.3%	5.4%	5.5%

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The Municipality has engaged financial institutions through a tender process to minimise its interest rate risks by providing fixed rates for loans and lease agreements. However, for the 2018/19 MTREF is based on the assumption that all borrowings are undertaken using fixed interest rates.

2.5.4 Collection rate for revenue services

The base assumption is that tariffs increase at a rate slightly higher than the CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently at 77% of annual billings. Cash flow collection is projected to come under pressure considering the current economic outlook. Growth or decline in tax base of the municipality

Debtors' revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

2.5.5 Salary increases

The collective agreement regarding salaries/wages was entered into with SALGA and came into operation on 1 July 2015 and will end on 30 June 2018.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focused service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture;
- Fighting crime and corruption; and
- Economic growth.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 100% will be achieved on operating expenditure and capital programmes for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as electricity and solid waste removal as well as property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of at least 98% annual collection rate for consumer revenue;
- National Treasury guidelines;

- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

No developments are taking place in uPhongolo. As the levying of property rates is considered a strategic revenue source, a further supplementary valuation process will be undertaken in the 2018/19 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, and refuse removal constitute the biggest component of the revenue basket of the Municipality. It is not expected that revenue from this services will grow exponentially as there are no new developments taking place.

Operational grants and subsidies are a major source of operating revenue. It needs to be noted that in real terms the grants receipts from national and provincial government have decreased in 2018/19 and grow slightly in the two outer years of the MTREF.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R1,6 million, R1,7 million and R1,8 million for the respective three financial years of the 2017/18 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

Investment particulars are reflected in supporting Table SA15 and SA16 and the projected investments at end of the 2017/18 financial year is R19 million.

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/19 medium-term capital programme:

Sources of capital revenue over the MTREF

Description	2017/18 Medium Term Revenue & Expenditure Framework							
	Adjusted Budget 2017/18	%	Budget Year 2018/19	%	Budget Year 2019/20	%	Budget Year 2020/21	%
Funded by:								
National Government	36 303 950	60.6	34 904 300	65.5	38 886 900	80.0	40 222 600	93.3
Provincial Government	4 500 000	7.5	-	-	-	-	-	-

Transfers recognised – capital	40 803 950	68.1	34 904 300	65.5	38 886 900	80.0	40 222 600	93.3
Borrowings	7 600 000	12.7	14 600 000	27.4	-	-	-	-
Internally generated funds	11 548 182	19.2	3 716 900	7.1	9 688 110	20.0	2 864 015	6.7
Total Capital Funding	59 952 132	100.0	53 221 200	100.0	48 575 010	100.0	43 086 615	100.0

The above table is graphically represented as follows for the 2018/19 MTREF

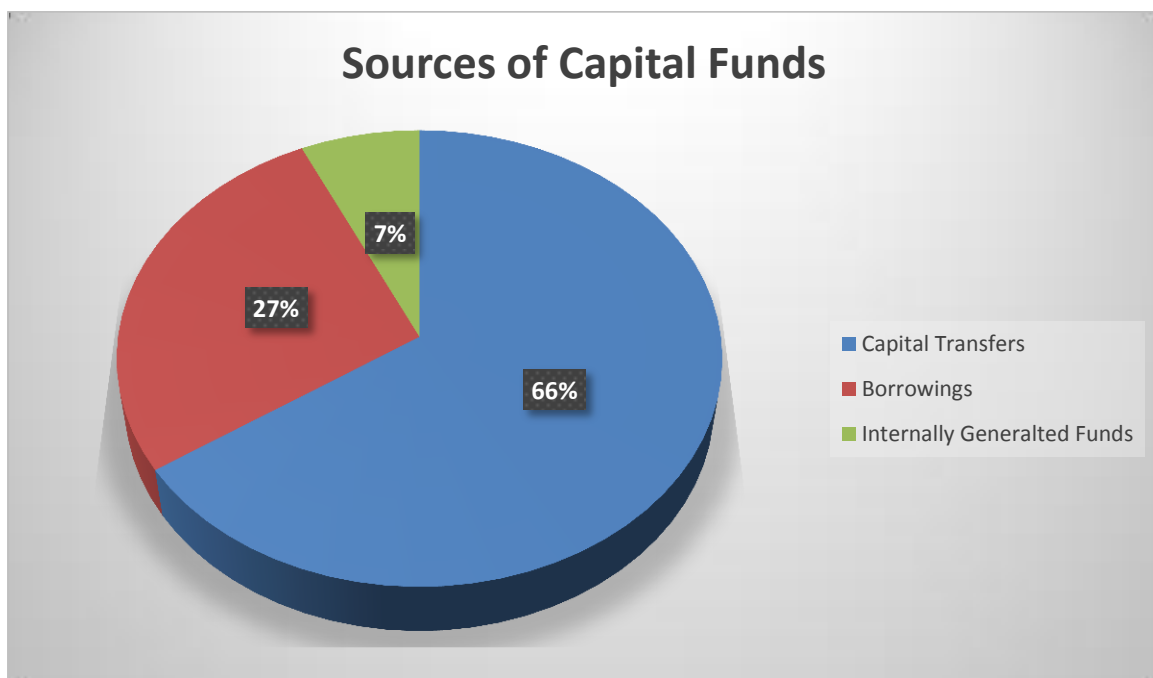


Figure 3 Sources of capital revenue for the 2018/19 financial year

Capital grants and receipts equates to 66% of the total funding source for the 2018/19 financial year.

Borrowing still remains a significant funding source for the capital programme over the medium-term with an estimated R14,6 million to be raised in 2018/19 or 27% of the total funding sources. As explained earlier, the borrowing capacity of the Municipality has not yet reached its limits and there is still room for additional borrowings. However, further borrowings should be carefully considered against the level of cash resources. At this stage more borrowings than budgeted for should not be considered as this might adversely affect the solvency of the municipality.

Internally generated funds consist of a mixture between surpluses generated on the operating statement of financial performance and cash backed reserves. In determining the credibility of this funding source it becomes necessary to review the cash flow budget as well as the cash backed reserves and accumulated funds reconciliation, as discussed below. Internally generated funds consist of R3,7 million in 2018/19.

Detailed borrowings are reflected in supporting schedule Table SA17. Supporting Tables SA18 and SA19 provide details on capital transfers and receipts and expenditure on grant programmes. The Municipal Infrastructure Grant remains the main capital grant received.

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Supporting Table A7 reflects the cash flow statement for the 2018/19 MTREF.

The above table shows that cash and cash equivalents of the Municipality improve in 2018/19 and throughout the two outer years. The Municipality plans to undertake an extensive debt collection process to boost cash levels and has acquired the services of a reputable debt collecting firm. It is expected the interventions will translate into a positive cash position for the Municipality and it is projected that cash and cash equivalents on hand will increase to R8million by 2020/21.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'.

Funding compliance measurement

Cash/cash equivalent position

Cash flow management is a critical in determining if the budget is funded over the medium term. National Treasury requires that the financial sustainability of the municipality is assessed to ensure financial viability. Supporting Table A10 essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2018/19 MTREF shows R19 million, R24,6 million and R27,6 million for each respective financial year.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments. The detail reconciliation of the cash backed reserves/surpluses is contained in Table A25, on page 25.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. For the 2017/18 MTREF the ratio is 1.4. As indicated above the Municipality aims to achieve at least 1.5 month's cash coverage in the medium term, and then gradually move towards two months coverage. This measure will have to be carefully monitored going forward.

2.6.4.1 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed over the medium term. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term. For the 2017/18 MTREF the indicative outcome is a surplus of R49,7 million, R57,2 million and R58,9 million respectively.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective.

2.6.4.2 Service charge revenue as a percentage increase

This measure is based on the increase in revenue, which will include both the change in the tariff as well as any assumption about real growth.

From the table it can be seen that the percentage growth totals 4.5% and decreases to 0.7% by 2019/20.

2.6.4.3 Cash receipts as a percentage of ratepayer and other revenue

This measure is intended to analyse the underlying assumed collection rate for the 2018/19 MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. Given that the assumed collection rate was based on a 77.2% performance target, the cash flow statement has been conservatively determined.

2.6.4.4 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 13.1% in 2018/19 and 12.8% in 2020/21.

2.6.4.5 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. It can be seen that no timing discount has been factored into the cash position forecasted over the entire financial year. The municipality aims to meet the commitments in the relevant accounting period.

2.6.4.6 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded. It can be seen that borrowing equates to 84% capital expenditure throughout the MTREF.

2.6.4.7 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

2.6.4.8 Consumer debtors change (Current and Non-current)

The purpose of these measures is to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. This measure shows a relatively low trend which is not in line with the Municipality's policy of settling debtors accounts within 30 days.

2.6.4.9 Repairs and maintenance expenditure level

This measure indicates the percentage of committed asset repairs to property, plant and equipment. The details of the Municipality's strategy pertaining to asset management and repairs and maintenance are contained in Table SA 34C on page 89. National Treasury requires that the repairs and maintenance be equal to at least 8% of the carrying value of property, plant and equipment. Repairs and maintenance equates 2.7% in 2018/19 and remains 2.5% in 2020/21.

2.6.4.10 Asset renewal/rehabilitation expenditure level

The objective of this measure is to understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected. Further details in this regard are contained in Table 51 SA34b on page 88.

2.7 Grant allocations to the municipality

All national allocations to local government are published in the Division of Revenue Bill, 2018 for the next three years, whilst provincial allocations for part of the provincial budgets.

Supporting tables SA 18, SA 19 and SA 20 provide details of planned grant receipts and expenditure against each allocation and grant received. The following grants have been allocated to the municipality.

Transfers and grant allocations	2018/19	2019/20	2020/21
	R	R	R
Equitable Share	119 730 000	133 382 000	145 138 000
Finance Management Grant	1 970 000	2 435 000	2 867 000
Municipal Integrated Grant	27 794 000	28 302 000	29 708 000
Maintenance of Sport Facilities	-	-	-
Integrated National Electricity Programme Grant	8 500 000	12 000 000	12 000 000
Provincialisation of Libraries Grant	1 055 106	1 112 082	1 173 246
Community Library Services Grant	395 928	417 308	440 260
Expanded Public Works Programme Grant	2 534 000	-	-
TOTAL	161 979 034	177 648 390	191 326 506

2.8 Allocations or grants made by the municipality

Supporting Table SA 21 provides detail on provisions made by Council to other organisations in terms of the conditions of the grants-in-aid policy and specific Council resolutions. This includes the provision of free basic electricity and rebates and or exemptions in terms of the Property Rates Act.

The provision for free basic services to indigent households amounts to R2,5 million in 2018/19 and R2,6 million and R2,8 million in the two outer years of the MTREF respectively.

2.9 Councillor and employee benefits

Supporting Table SA 22; SA 23 and SA 24 provide the proposed cost to councilors, salaries, allowances and benefits as well as planned personnel numbers for:

- councilors of the municipality;
- municipal manager and senior managers; and
- other municipal staff.

Councillors remuneration amounts to R9,8 million and Employee-related costs to R89,1 million for the 2018/19 Financial Year. The total of Councillors' remuneration and Employee-related costs is R98.9 million for 2018/19 financial year and equates to 39.8% of budgeted operating expenditure. The norm as per National Treasury ranges between 25%- 40%.

The total number of personnel increase from 348 in 2017/18 to 348 in 2018/19. A Total number of (15) new posts that are expected to be filled in the 2018/19 financial year.

2.10 Monthly target for revenue, expenditure and cash flow

Supporting Table SA 25 and SA 27 disclose the monthly targets for operating revenue by source, operating expenditure by type as well as a consolidated projection of revenue and expenditure by vote, whilst supporting Table SA 29 provides monthly projections for capital expenditure by vote. All these schedules have been included in the annual budget and SDBIP for each department.

The SDBIP includes the detailed capital budget by programme and shows each capital project associated within the programme and indicates the planning for each project.

Supporting Table SA 30 provides a consolidated projection of cash flow for the budget setting out receipts by source and payments by type, both operating and capital broken down per month for the budget year and also shown in total the following two (2) years.

The final SDBIP will be submitted for approval no later than fourteen (14) days after the approval and adoption of the annual budget.

2.11 Contracts having future budgetary implications

There are four (4) long-term contracts which will impose financial obligations beyond three (3) years. These contracts are for insurance, maintenance of landfill site; and maintenance of electricity infrastructure.

2.12 Capital expenditure details

Supporting Table SA 34 discloses capital expenditure by asset class and Table SA 36 provides a list of capital programmes and projects aligned to the goals of the integrated development plan. Refer also supporting Table SA 6 for reconciliation with IDP strategic objectives.

From these tables it can be seen that 47.8% of capital expenditure is allocated for infrastructure development and service delivery, community assets are 31.3% and 20.9% on other assets such as vehicles, and plant and equipment.

The planned capital projects for the next three years are contained in Table SA 36 and SA 37 of which the critical projects are:

Capital Projects	2018/19	%	2019/20	%	2020/21	%
Access roads	14 730 098	40	12 826 300	32	20 238 729	45
Community halls	-	-	5 000 000	13	1 500 000	3
Sports facilities	10 880 970	30	9 875 100	25	4 438 020	10
Creches	1 692 882	5	1 000 000	3	4 000 000	9
Electrification of households including infills	8 500 000	25	12 000 000	27	12 000 000	33
	34 904 300	100	38 886 900	100	40 222 600	100

These projects constitute 73.13% of total capital expenditure planned over the 2018/19 MTREF. The implementation of these projects must be fast-tracked and progress monitored monthly.

2.13 Legislation compliance status

The municipality is fully committed to promote and seek to implement the basic values and principles of public administration described as per section 195(1) of the Constitution.

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 5 interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2018/19 MTREF in May 2018 and is directly aligned and informed by the 2018/19 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

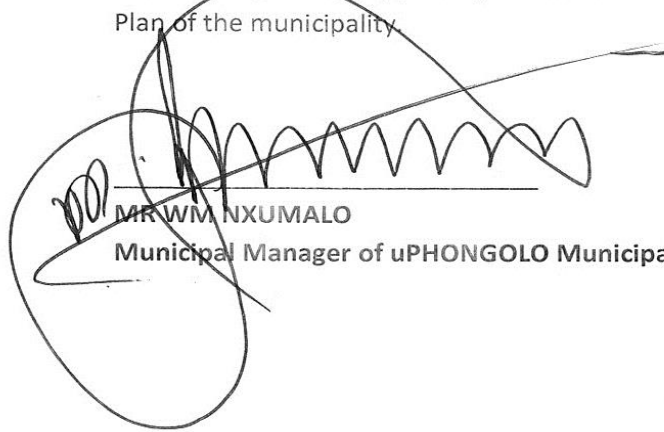
2.14 Other supporting documents

Other supporting documents included in the budget are:

- Supporting detail to budgeted – budgeted financial performance – supporting Table SA 1 – this table provides detail on specific revenue and expenditure items.
- Matrix on financial performance budget – supporting Table SA 2 – this table provides detail on revenue by source and expenditure by type for the various main departments in the municipality.
- Supporting detail to statement of financial position – supporting Table SA 3 which provides detail on the various financial position items.
- Supporting detail on social, economic and demographic statistics and assumptions – supporting Table SA 9 – this table provides a high level overview of the demographics of the municipality.

2.15 Municipal Manager's quality certificate

I Mr WM Nxumalo, Municipal Manager of uPhongolo Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the Annual Budget and supporting documents are consistent with the Integrated Development Plan of the municipality.



MR WM NXUMALO
Municipal Manager of uPHONGOLO Municipality (KZN262)

Table 56 SA1 - Supporting detail to budgeted financial performance

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	26,455	26,833	31,402	35,275	35,275	35,275	35,275	37,144	39,150	41,303
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)					1,781	1,088	1,088	1,088	1,146	1,208	1,274
Net Property Rates		26,455	26,833	31,402	33,493	34,187	34,187	34,187	35,999	37,943	40,029
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	25,986	32,259	35,130	34,992	34,992	34,992	34,992	36,846	38,836	40,972
less Revenue Foregone (in excess of 50 kwh per indigent household per month)											
less Cost of Free Basis Services (50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - electricity revenue		25,986	32,259	35,130	34,992	34,992	34,992	34,992	36,846	38,836	40,972
Service charges - water revenue											
Total Service charges - water revenue	6										
less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)											
less Cost of Free Basis Services (6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue											
Total Service charges - sanitation revenue											
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue											
Total refuse removal revenue	6	7,940	8,495	9,378	9,994	9,994	9,994	9,994	10,523	11,092	11,702
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)											
less Cost of Free Basis Services (removed once a week to indigent households)		-	-	-	-	-	-	-	-	-	-
Net Service charges - refuse revenue		7,940	8,495	9,378	9,994	9,994	9,994	9,994	10,523	11,092	11,702
Other Revenue by source											
List Other Revenue by Source											
Building Plans					27	22	22	22	23	24	26
Burial Fees		1,066	1,455	1,252	130	117	117	117	124	130	137
Clearance Certificates					16	9	9	9	9	10	11
Validation Certificates					11	6	6	6	6	6	7
Dumping Fees					19	8	8	8	8	9	9
Enchroachment Fees					1	1	1	1	1	1	1
Final Readings					1	1	1	1	1	1	1
Grave Fees					14	5	5	5	5	6	6
Grave Stones					-	-	-	-	-	-	-
Library Membership					1	-	-	-	-	-	-
Other Revenue By Source	3				725	1,092	1,092	1,092	1,150	1,212	1,278
Total 'Other' Revenue	1	1,066	1,455	1,252	944	1,260	1,260	1,260	1,327	1,399	1,476

Table 56 SA1 - Supporting detail to budgeted financial performance (Continued)

EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2	33,637	45,368	50,559	54,252	53,943	53,943	53,943	60,939	67,763
Pension and UIF Contributions		3,526	6,331	8,293	6,071	6,071	6,071	6,071	8,637	9,105
Medical Aid Contributions		1,646	2,146	—	2,397	2,397	2,397	2,397	4,448	4,689
Overtime		1,340	2,209	2,858	2,263	2,263	2,263	2,263	2,788	3,100
Performance Bonus		2,225	3,297	3,597	5,291	5,291	5,291	5,291	5,389	5,641
Motor Vehicle Allowance		2,162	3,319	4,019	4,446	4,446	4,446	4,446	4,829	4,829
Cellphone Allowance		106	106	—	180	180	180	180	253	253
Housing Allowances		31	484	408	115	115	115	115	225	225
Other benefits and allowances		1,121	955	981	1,207	1,207	1,207	1,207	1,593	1,707
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
sub-total	5	45,794	64,217	70,716	76,224	75,914	75,914	75,914	89,103	98,195
Less: Employees costs capitalised to PPE										
Total Employee related costs	1	45,794	64,217	70,716	76,224	75,914	75,914	75,914	89,103	98,195
Contributions recognised - capital										
List contributions by contract		173	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
		—	—	—	—	—	—	—	—	—
Total Contributions recognised - capital		173	—	—	—	—	—	—	—	—
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment		6,795	7,679	9,190	8,810	12,101	12,101	12,101	12,742	14,169
Lease amortisation		—	—	—	556	—	—	—	—	—
Capital asset impairment		617	43	2,183	—	—	—	—	—	—
Depreciation resulting from revaluation of PPE		—	—	—	—	—	—	—	—	—
Total Depreciation & asset impairment	10	7,412	7,722	11,373	9,366	12,101	12,101	12,101	12,742	14,169
Bulk purchases										
Electricity Bulk Purchases		21,482	25,370	26,192	26,847	26,847	26,847	26,847	28,812	30,368
Water Bulk Purchases		—	—	—	—	—	—	—	—	—
Total bulk purchases	1	21,482	25,370	26,192	26,847	26,847	26,847	26,847	28,812	30,368
Transfers and grants										
Cash transfers and grants		—	—	—	—	—	—	—	—	—
Non-cash transfers and grants		2,913	2,451	1,657	5,265	2,632	2,632	2,632	2,544	2,828
Total transfers and grants	1	2,913	2,451	1,657	5,265	2,632	2,632	2,632	2,544	2,828
Contracted services										
Security for Councillors		535	6,264	5,714	1,181	2,719	2,719	2,719	2,863	3,018
Legal cost		4,259	—	—	353	600	600	600	632	703
mSCOA Financial system		4,745	2,395	4,270	900	2,719	2,719	2,719	2,764	2,042
Cash in transit		1,391	—	—	171	171	171	171	180	190
Valuation roll system		66	—	—	229	274	274	274	289	3,304
Valuation roll maintenance		2,815	—	—	187	215	215	215	226	238
Payroll system		353	—	—	300	300	300	300	316	333
Printing laser statement		900	—	—	318	318	318	318	335	353
Asset management		171	—	—	700	906	906	906	954	1,006
Provision for rehabilitation of Landfill site		416	—	—	73	73	73	73	77	81
Actuarial leave benefit		300	—	—	44	42	42	42	44	47
IT equipment		318	—	—	600	414	414	414	436	459
Hygiene services		700	—	—	36	95	95	95	100	105
Security services municipal buildings		73	—	—	5,088	3,600	3,600	3,600	3,791	3,996
Grass cutters		44	6,491	9,100	8,066	5,000	5,000	5,000	3,765	3,968
Town beautification		36	—	—	425	425	425	425	447	471
Electricity		—	547	572	623	500	500	500	527	555
Collection of refuse removal		—	5,035	4,811	2,642	3,000	3,000	3,000	2,282	2,405
Landfill site		—	—	—	2,162	1,873	1,873	1,873	1,972	2,079
sub-total	1	17,123	20,731	24,467	24,098	23,243	23,243	23,243	21,998	25,315
Allocations to organs of state:										
Electricity		—	—	—	—	—	—	—	—	—
Water		—	—	—	—	—	—	—	—	—
Sanitation		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total contracted services		17,123	20,731	24,467	24,098	23,243	23,243	23,243	21,998	25,315
Other Expenditure By Type										
Collection costs		236	38,450	46,599	415	415	415	415	53,639	49,848
Contributions to 'other' provisions		1,306	—	—	1,265	1,265	1,265	1,265	—	—
Consultant fees		2,805	—	—	2,101	2,101	2,101	2,101	—	—
Audit fees		1,431	—	—	—	—	—	—	—	—
General expenses		2,681	—	—	7,700	15,349	15,349	15,349	—	—
Subsistence and Travelling		3,143	—	—	795	795	795	795	—	—
Advertising		621	—	—	1,064	1,064	1,064	1,064	—	—
Legal Costs		1,047	—	—	135	135	135	135	—	—
Licenses		256	—	—	1,830	1,830	1,830	1,830	—	—
Stationery, printing and telephone		1,796	—	—	9,709	9,709	9,709	9,709	—	—
Youth, senior citizen, men & women support		861	—	—	1,064	1,064	1,064	1,064	—	—
Postages and courier		10	—	—	468	468	468	468	—	—
Cleaning materials		282	—	—	—	—	—	—	—	—
Electricity, water, refuse & sewerage charges		893	—	—	520	520	520	520	—	—
Rentals		763	—	—	—	—	—	—	—	—
Fuel & oil		1,106	—	—	350	350	350	350	—	—
Hire of equipment and rentals		1,295	—	—	882	882	882	882	—	—
Uniform and Protective Clothing		305	—	—	2,034	2,034	2,034	2,034	—	—
Training Fees and subscriptions and WCA		2,075	—	—	1,418	1,418	1,418	1,418	—	—
Insurance		724	—	—	700	700	700	700	—	—
Public participation and communication		3,021	—	—	283	283	283	283	—	—
Pauper burials		183	—	—	1,893	1,893	1,893	1,893	—	—
Ward Upliftment		3,500	—	—	4,678	4,678	4,678	4,678	—	—
EPWP		1,920	—	—	1,527	1,527	1,527	1,527	—	—
Accommodation Expense and refreshments		1,659	—	—	5	5	5	5	—	—
Disaster Victims Support and LED		65	—	—	63	63	63	63	—	—
Transport costs		543	—	—	—	—	—	—	—	—
Total 'Other' Expenditure	1	34,526	38,450	46,599	40,898	48,547	48,547	48,547	53,639	52,347

Table 57 SA2 - Matrix Financial Performance Budget (revenue source/ expenditure type by department)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Finance and administrati on	Vote 3 - Community and Social Services	Vote 4 - Sports and Recreation	Vote 5 - Public Safety	Vote 6 - Housing	Vote 7 - Planning and Development	Vote 8 - Roads Transport	Vote 9 - Energy Sources	Vote 10 - Waste Management	Vote 11 - Other	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue By Source																	
Property rates		-	35,999	-	-	-	-	-	-	-	-	-	-	-	-	-	35,999
Service charges - electricity revenue		-	-	-	-	-	-	-	-	36,846	-	-	-	-	-	-	36,846
Service charges - water revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	-	-	-	-	-	-	-	-	10,523	-	-	-	-	-	10,523
Service charges - other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		-	644	-	91	-	-	-	-	-	-	-	-	-	-	-	735
Interest earned - external investments		-	1,549	-	-	-	-	-	-	-	-	-	-	-	-	-	1,549
Interest earned - outstanding debtors		-	4,345	-	-	-	-	-	-	170	3,580	-	-	-	-	-	8,096
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	491	-	-	-	-	-	-	-	-	-	-	491
Licences and permits		-	-	-	-	-	-	-	-	-	-	1,566	-	-	-	-	1,566
Agency services		-	-	-	-	790	-	-	-	-	-	-	-	-	-	-	790
Other revenue		-	1,327	-	-	-	-	-	-	-	-	-	-	-	-	-	1,327
Transfers and subsidies		-	121,700	1,451	-	-	-	3,924	-	-	-	-	-	-	-	-	127,075
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	165,564	1,451	91	1,281	-	3,924	-	37,017	14,104	1,566	-	-	-	-	224,998
Expenditure By Type																	
Employee related costs		-	33,726	19,814	-	11,080	-	14,956	5,263	404	-	3,861	-	-	-	-	89,103
Remuneration of councillors		9,864	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,864
Debt impairment		-	-	-	-	-	-	-	-	-	15,707	-	-	-	-	-	15,707
Depreciation & asset impairment		-	12,742	-	-	-	-	-	-	-	-	-	-	-	-	-	12,742
Finance charges		-	1,892	-	-	-	-	-	-	-	-	-	-	-	-	-	1,892
Bulk purchases		-	-	-	-	-	-	-	-	28,812	-	-	-	-	-	-	28,812
Other materials		-	-	-	-	-	-	-	12,930	-	-	-	-	-	-	-	12,930
Contracted services		2,719	8,482	-	5,425	-	-	-	-	500	4,873	-	-	-	-	-	21,998
Transfers and subsidies		-	-	-	-	-	-	-	-	2,544	-	-	-	-	-	-	2,544
Other expenditure		-	53,639	768	-	-	-	-	-	-	-	-	-	-	-	-	54,407
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		12,583	110,482	20,582	5,425	11,080	-	14,956	18,193	32,260	20,580	3,861	-	-	-	-	250,000
Surplus/(Deficit)		(12,583)	55,082	(19,131)	(5,333)	(9,799)	-	(11,032)	(18,193)	4,756	(6,476)	(2,294)	-	-	-	-	(25,002)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	26,404	-	8,500	-	-	-	-	-	-	34,904
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(12,583)	55,082	(19,131)	(5,333)	(9,799)	-	15,372	(18,193)	13,256	(6,476)	(2,294)	-	-	-	-	9,902

Table 58 SA3 – Supporting detail to Statement of Financial Position

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
ASSETS											
<u>Call investment deposits</u>											
Call deposits		13,134	9,772	1,602	19,448	5,000	5,000	5,000	4,719	4,447	12,156
Other current investments		—	—	—	—	—	—	—	—	—	—
Total Call investment deposits	2	13,134	9,772	1,602	19,448	5,000	5,000	5,000	4,719	4,447	12,156
<u>Consumer debtors</u>											
Consumer debtors		104,790	120,352	74,073	120,241	154,812	154,812	154,812	163,018	171,820	181,271
Less: Provision for debt impairment		(49,619)	(58,641)	—	(80,739)	(88,978)	(88,978)	(88,978)	(104,686)	(121,241)	(138,707)
Total Consumer debtors	2	55,171	61,711	74,073	39,502	65,834	65,834	65,834	58,332	50,579	42,563
<u>Debt impairment provision</u>											
Balance at the beginning of the year		43,260	49,619	—	70,009	74,062	74,062	74,062	88,978	104,686	121,241
Contributions to the provision		6,359	9,022	—	10,730	14,917	14,917	14,917	15,707	16,555	17,466
Bad debts written off		—	—	—	—	—	—	—	—	—	—
Balance at end of year		49,619	58,641	—	80,739	88,978	88,978	88,978	104,686	121,241	138,707
<u>Property, plant and equipment (PPE)</u>											
PPE at cost/valuation (excl. finance leases)		288,750	347,348	354,056	482,986	549,168	549,168	549,168	592,789	641,364	684,450
Leases recognised as PPE	3	—	—	—	—	—	—	—	—	—	—
Less: Accumulated depreciation		34,009	41,097	—	59,161	71,262	71,262	71,262	84,004	97,434	111,603
Total Property, plant and equipment (PPE)	2	254,741	306,251	354,056	423,824	477,906	477,906	477,906	508,785	543,930	572,848
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)		—	—	—	—	—	—	—	—	—	—
Current portion of long-term liabilities		1,955	3,642	2,459	11,391	11,391	11,391	11,391	3,250	3,425	3,614
Total Current liabilities - Borrowing		1,955	3,642	2,459	11,391	11,391	11,391	11,391	3,250	3,425	3,614
<u>Trade and other payables</u>											
Trade and other creditors		35,516	37,546	38,447	52,167	52,167	52,167	52,167	5,000	5,270	5,560
Unspent conditional transfers		11,098	12,763	—	—	—	—	—	—	—	—
VAT		—	—	—	—	—	—	—	—	—	—
Total Trade and other payables	2	46,614	50,309	38,447	52,167	52,167	52,167	52,167	5,000	5,270	5,560
<u>Non current liabilities - Borrowing</u>											
Borrowing	4	77	—	—	—	—	—	—	5,000	—	—
Finance leases (including PPP asset element)		1,660	3,745	2,647	17,219	17,219	17,219	17,219	—	—	—
Total Non current liabilities - Borrowing		1,736	3,745	2,647	17,219	17,219	17,219	17,219	5,000	—	—
<u>Provisions - non-current</u>											
Retirement benefits		2,619	3,025	—	3,029	3,029	3,029	3,029	3,189	3,361	3,546
List other major provision items		—	—	—	—	—	—	—	—	—	—
Refuse landfill site rehabilitation		3,765	4,949	13,397	4,267	4,267	4,267	4,267	4,493	4,736	4,996
Other		1,035	456	—	485	485	485	485	511	539	568
Total Provisions - non-current		7,418	8,430	13,397	7,781	7,781	7,781	7,781	8,194	8,636	9,111
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance		338,945	387,346	451,489	463,244	549,599	549,599	549,599	644,361	680,479	713,569
GRAP adjustments		16,877	2,564	—	—	—	—	—	—	—	—
Restated balance		355,822	389,910	451,489	463,244	549,599	549,599	549,599	644,361	680,479	713,569
Surplus/(Deficit)		51,545	60,447	64,466	26,743	23,144	23,144	23,144	9,902	21,767	30,592
Appropriations to Reserves		—	—	—	—	—	—	—	—	—	—
Transfers from Reserves		—	—	—	—	—	—	—	—	—	—
Depreciation offsets		—	—	—	—	—	—	—	—	—	—
Other adjustments		383	—	—	—	—	—	—	—	—	—
Accumulated Surplus/(Deficit)	1	407,749	450,357	515,955	489,987	572,743	572,743	572,743	654,263	702,245	744,162
<u>Reserves</u>											
Housing Development Fund		—	—	—	—	—	—	—	—	—	—
Capital replacement		—	—	—	—	—	—	—	—	—	—
Self-insurance		—	—	—	—	—	—	—	—	—	—
Other reserves		—	—	—	—	—	—	—	—	—	—
Revaluation		—	—	—	—	—	—	—	—	—	—
Total Reserves	2	—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	407,749	450,357	515,955	489,987	572,743	572,743	572,743	654,263	702,245	744,162

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive performance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building.	To increase employee capacity by a minimum of 10% each year.			14,303	16,965	16,186	17,733	17,733	17,733	18,672	19,681	20,763	
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities; create conducive environment for sports and recreational	Ensure that every household has access to basic services by 2030			112,728	81,416	101,309	99,938	100,663	100,663	111,119	127,347	138,111	
Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity.	To boost the Local Economy by 5 points each year.			14,838	58,636	59,745	46,444	50,833	50,833	43,927	42,635	44,829	
Apply good financial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation.	To increase own revenue by 5% each year.			44,783	66,538	73,635	63,914	64,973	64,973	68,386	72,437	76,719	
Promote good governance, accountability and transparency; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings.	Create a people centred democracy that is transparent and responsive			12,850	14,642	14,603	7,865	7,865	7,865	8,281	8,729	9,209	
Promote the environment conservation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime rate, implement SPLUMA,	To increase environmental and community safety			13,444	8,183	8,137	9,146	9,038	9,038	9,517	10,031	10,583	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	212,947	246,380	273,615	245,040	251,104	251,104	259,902	280,859	300,214

Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
				R thousand									
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive performance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building. Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity. Apply good financial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets according to legislation. Promote good governance, accountability and transparency; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings. Promote the environment conservation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime	To increase employee capacity by a minimum of 10% each year.	A		24,170	9,842	12,441	14,099	15,902	15,902	17,217	18,304	19,575	
	Ensure that every household has access to basic services by 2030	B		56,768	85,975	107,028	120,082	129,470	129,470	151,083	158,240	163,305	
	To boost the Local Economy by 5 points each year.	C		7,515	26,832	20,227	20,207	22,111	22,111	21,584	19,680	20,677	
	To increase own revenue by 5% each year.			25,664	20,671	32,906	32,229	34,164	34,164	21,870	22,916	24,075	
	Create a people centred democracy that is transparant and responsive	E		14,646	26,704	22,920	16,667	11,318	11,318	21,870	22,916	24,075	
	To increase environmental and community safety	F		25,133	15,909	14,092	15,012	14,995	14,995	16,375	17,037	17,915	
Allocations to other priorities													
Total Expenditure				1	153,895	185,933	209,615	218,296	227,960	227,960	250,000	259,093	269,622

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand													
Develop and implement credible third generation IDP; Promote quality service delivery through inclusive performance management system; employ and develop highly effective workforce representative of municipality demographic profile. Create a balance between employee productivity, welfare and capacity building.	To increase employee capacity by a minimum of 10% each year.	A		2,225	—	—	—	—	—	—	—	—	
Ensure provision of basic Municipal services in a sustainable manner; make all communities accessible through the provision and maintenance of access roads and storm water drains, control waste management including water contamination; provide safe and adequate habitable housing that is closer to amenities; create conducive environment for sports and Create a conducive environment for investing and SMME and Co-operatives growth; increase the number of visitors to uPhongolo; Create temporary and permanent jobs; increase agricultural productivity.	Ensure that every household has access to basic services by 2030	B		53,512	59,920	48,413	64,335	59,952	59,952	53,221	48,575	43,087	
Apply good financial management in municipal finance dealings; Increase revenue collection and generation yearly; control and account for expenditure; enforce a fair and legislatively compliance SCM Policy and budget and report on financial transactions and assets	To boost the Local Economy by 5 points each year.	C		165	—	—	—	—	—	—	—	—	
Promote good governance, accountability and transparency; placing the primary focus on addressing the needs of the communities; report regularly on municipal dealings.	To increase own revenue by 5% each year.	D		101	—	—	—	—	—	—	—	—	
Promote the environment conservation and management to ensure adverse environmental impacts are prevented and mitigated; Mitigate the HIV epidemic and promote positive living; provide disaster management and emergency services; ensure the needs of special groups are addressed; reduce crime	Create a people centred democracy that is transparent and responsive	E		—	—	11,457	—	—	—	—	—	—	
	To increase environmental and community safety	F		101	—	38	—	—	—	—	—	—	
		G											
Allocations to other priorities				3									
Total Capital Expenditure				1	56,104	59,920	59,908	64,335	59,952	59,952	53,221	48,575	43,087

Table SA 7 Measurable Performance Objectives

Description	Unit of measurement	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Planning & Development:Technical										
Function: Roads										
Sub-function: Eradication of backlogs										
Reduce roads and stormwater backlogs										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

Table SA 8 Performance Indicators and Objectives

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Borrowing Management</u>											
Credit Rating		0	0	0	0	0	0	0			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	4.2%	1.1%	4.8%	6.9%	2.1%	2.1%	2.1%	2.4%	2.5%	2.5%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.7%	2.4%	9.6%	16.5%	5.1%	5.1%	5.1%	6.0%	6.2%	6.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants and contributions	5.9%	80.5%	61.2%	71.8%	39.7%	39.7%	12.7%	27.3%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.6	1.4	1.7	1.0	1.1	1.1	1.1	4.3	3.6	3.5
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.4	1.7	1.0	1.1	1.1	1.1	4.3	3.6	3.5
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.2	0.0	0.3	0.1	0.1	0.1	0.3	0.2	0.6
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		64.2%	75.9%	66.9%	83.3%	100.0%	100.0%	100.0%	87.7%	87.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		64.2%	75.9%	66.9%	83.3%	100.0%	100.0%	100.0%	87.7%	87.7%	87.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	50.5%	40.2%	38.9%	23.8%	36.1%	36.1%	36.1%	30.7%	25.6%	20.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		-7647.7%	-1116.5%	2397.2%	268.2%	471.3%	471.3%	471.3%	105.9%	118.5%	45.7%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	5399699	4855083								
	Total Cost of Losses (Rand '000)	3,932	4,026		-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0								
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)	0	0	0	0	0	0	0	0	0	0
	% Volume (units purchased and generated less units sold)/units purchased and generated	-	-		-	-	-	-	-	-	-
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.1%	32.8%	33.8%	36.5%	36.1%	36.1%	36.1%	39.6%	38.7%	37.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	33.3%	36.9%	0.0%	40.7%	40.5%	40.5%		44.0%	43.1%	42.2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6.6%	3.2%	0.0%	5.9%	5.8%	5.8%		5.7%	5.7%	5.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	6.8%	3.7%	5.9%	6.3%	6.8%	6.8%	6.8%	6.8%	6.8%	6.6%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.4	4.4	6.3	7.9	7.9	7.9	7.2	7.2	7.2	7.6
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	130.5%	115.1%	106.1%	62.7%	95.1%	95.1%	95.1%	82.1%	69.8%	58.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(0.0)	(0.3)	0.1	1.5	0.8	0.8	0.8	0.3	0.3	0.7

Table SA 9 Social, Economic and Demographic Statistics and Assumptions

Description of economic indicator	Ref.	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<u>Demographics</u>								
Population		129,542	129,542		129,542			
Females aged 5 - 14		16,015	16,015		16,015			
Males aged 5 - 14		16,490	16,490		16,490			
Females aged 15 - 34		25,090	25,090		25,090			
Males aged 15 - 34		23,102	23,102		23,102			
Unemployment		17.988	17.988		17.988			
<u>Monthly household income (no. of households)</u>	1,							
No income		3,953	3,953		3,953			
R1 - R1 600		12,770	12,770		12,770			
R1 601 - R3 200		6,281	6,281		6,281			
R3 201 - R6 400		2,651	2,651		2,651			
R6 401 - R12 800		1,581	1,581		1,581			
R12 801 - R25 600		944	944		944			
R25 601 - R51 200		404	404		404			
R52 201 - R102 400		90	90		90			
R102 401 - R204 800		46	46		46			
R204 801 - R409 600		51	51		51			
R409 601 - R819 200		-	-		-			
> R819 200		-	-		-			
<u>Poverty profiles (no. of households)</u>								
< R2 060 per household per month	13							
Insert description	2							
<u>Household/demographics (000)</u>								
Number of people in municipal area		130	130		130			
Number of poor people in municipal area		-	-		-			
Number of households in municipal area		29	29		29			
Number of poor households in municipal area		-	-		-			
Definition of poor household (R per month)		2,185	2,185		2,185			
<u>Housing statistics</u>	3							
Formal								
Informal								
Total number of households		-	-	-	-	-	-	-
Dwellings provided by municipality	4	-	-					
Dwellings provided by province/s		-	-					
Dwellings provided by private sector	5	4,921	4,921					
Total new housing dwellings		4,921	4,921	-	-	-	-	-
<u>Economic</u>	6							
Inflation/inflation outlook (CPIX)		5.6%	6.0%		6.0%			
Interest rate - borrowing		8.0%	9.5%		9.5%			
Interest rate - investment		5.0%	5.0%		5.0%			
Remuneration increases		6.9%	7.0%		7.0%			
Consumption growth (electricity)		7.0%	7.0%		7.0%			
Consumption growth (water)		0.0%	0.0%		0.0%			
<u>Collection rates</u>	7							
Property tax/service charges		83.0%						
Rental of facilities & equipment		90.0%						
Interest - external investments		100.0%	100.0%					
Interest - debtors		83.0%						
Revenue from agency services		100.0%	100.0%					

Detail on the provision of municipal services for A10									
Total municipal services	Ref.	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
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Municipal in-house services	Ref.	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
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Municipal entity services	Ref.	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	

Name of municipal entity	8 to 9 to 10							
Name of municipal entity								
Name of municipal entity								
Name of municipal entity								
Name of municipal entity								
Services provided by 'external mechanisms'		Ref	2016/17 Outcome	Current Year 2017/18 Original Budget Adjusted Budget Full Year Forecast		2018/19 Medium Term Revenue & Expenditure Framework Budget Year 2018/19 Budget Year +1 2019/20 Budget Year +2 2020/21		
Names of service providers		8 to 9 to 10						
Names of service providers								
Names of service providers								
Names of service providers								
Names of service providers								
Detail of Free Basic Services (FBS) provided			2016/17 Outcome	Current Year 2017/18 Original Budget Adjusted Budget Full Year Forecast		2018/19 Medium Term Revenue & Expenditure Framework Budget Year 2018/19 Budget Year +1 2019/20 Budget Year +2 2020/21		
Electricity	Ref							
List type of FBS service								
Water	Ref							
List type of FBS service								
Sanitation	Ref							
List type of FBS service								
Refuse Removal	Ref							
List type of FBS service								

Table SA 10 Funding Measurement

Total Operating Revenue		157,347	195,692	209,328	208,736	210,300	210,300	210,300	224,998	241,972	259,991
Total Operating Expenditure		154,423	185,818	209,148	218,296	227,960	227,960	227,960	250,000	259,093	269,622
Operating Performance Surplus/(Deficit)		2,924	9,875	180	(9,561)	(17,660)	(17,660)	(17,660)	(25,002)	(17,120)	(9,630)
Cash and Cash Equivalents (30 June 2012)									4,719		
Revenue											
% Increase in Total Operating Revenue			24.4%	7.0%	(0.3%)	0.7%	0.0%	0.0%	7.0%	7.5%	7.4%
% Increase in Property Rates Revenue			1.4%	17.0%	6.7%	2.1%	0.0%	0.0%	5.3%	5.4%	5.5%
% Increase in Electricity Revenue			24.1%	8.9%	(0.4%)	0.0%	0.0%	0.0%	5.3%	5.4%	5.5%
% Increase in Property Rates & Services Charges			11.9%	12.3%	3.4%	0.9%	0.0%	0.0%	5.3%	5.4%	5.5%
Expenditure											
% Increase in Total Operating Expenditure			20.3%	12.6%	4.4%	4.4%	0.0%	0.0%	9.7%	3.6%	4.1%
% Increase in Employee Costs			40.2%	10.1%	7.8%	(0.4%)	0.0%	0.0%	17.4%	5.1%	4.9%
% Increase in Electricity Bulk Purchases			18.1%	3.2%	2.5%	0.0%	0.0%	0.0%	7.3%	5.4%	5.5%
Average Cost Per Budgeted Employee Position (Remuneration)				317110.704	238945.3448				14850497.6		
Average Cost Per Councillor (Remuneration)				284971.5862	301595.5862				340136.8207		
R&M % of PPE		4.1%	2.1%	0.0%	2.9%	2.6%	2.6%		2.5%	2.5%	2.5%
Asset Renewal and R&M as a % of PPE		7.0%	4.0%	0.0%	19.0%	20.0%	20.0%		24.0%	28.0%	34.0%
Debt Impairment % of Total Billable Revenue		12.0%	20.0%	18.5%	13.7%	18.8%	18.8%	18.8%	18.8%	18.8%	18.5%
Capital Revenue											
Internally Funded & Other (R'000)		2,750	2,674	2,221	7,901	11,548	11,548	–	3,717	9,688	2,864
Borrowing (R'000)		–	5,217	–	20,130	7,600	7,600	–	14,600	–	–
Grant Funding and Other (R'000)		53,353	52,029	57,687	36,304	40,804	40,804	–	34,904	38,887	40,223
Internally Generated funds % of Non Grant Funding		100.0%	33.9%	100.0%	28.2%	60.3%	60.3%	0.0%	20.3%	100.0%	100.0%
Borrowing % of Non Grant Funding		0.0%	66.1%	0.0%	71.8%	39.7%	39.7%	0.0%	79.7%	0.0%	0.0%
Grant Funding % of Total Funding		95.1%	86.8%	96.3%	56.4%	68.1%	68.1%	0.0%	65.6%	80.1%	93.4%
Capital Expenditure											
Total Capital Programme (R'000)		56,104	59,920	59,908	64,335	59,952	59,952	–	53,221	48,575	43,087
Asset Renewal		–	–	–	–	–	–	–	–	–	–
Asset Renewal % of Total Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash											
Cash Receipts % of Rate Payer & Other		59.8%	72.0%	61.5%	77.8%	91.4%	91.4%	91.4%	81.0%	81.0%	81.0%
Cash Coverage Ratio		(0)	(0)	0	0	0	0	0	0	0	0
Borrowing											
Credit Rating (2009/10)									0		
Capital Charges to Operating		4.2%	1.1%	4.8%	6.9%	2.1%	2.1%	2.1%	2.4%	2.5%	2.5%
Borrowing Receipts % of Capital Expenditure		3.3%	80.5%	61.2%	71.8%	39.7%	39.7%	12.7%	27.3%	0.0%	0.0%
Reserves											
Surplus/(Deficit)		855	8,632	13,156	5,906	22,312	22,312	22,312	55,622	49,270	50,699
Free Services											
Free Basic Services as a % of Equitable Share		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)		0.0%	0.0%	0.0%	1.9%	1.2%	1.2%		1.2%	1.2%	1.2%
High Level Outcome of Funding Compliance											
Total Operating Revenue		157,347	195,692	209,328	208,736	210,300	210,300	210,300	224,998	241,972	259,991
Total Operating Expenditure		154,423	185,818	209,148	218,296	227,960	227,960	227,960	250,000	259,093	269,622
Surplus/(Deficit) Budgeted Operating Statement		2,924	9,875	180	(9,561)	(17,660)	(17,660)	(17,660)	(25,002)	(17,120)	(9,630)
Surplus/(Deficit) Considering Reserves and Cash Backing		855	8,632	13,156	5,906	22,312	22,312	22,312	55,622	49,270	50,699
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Table SA 11

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Valuation:	1									
Date of valuation:		01/07/2014	01/07/2014	01/07/2014	01/07/2014	01/07/2014	01/07/2014	01/07/2014	01/07/2018	01/07/2018
Financial year valuation used		2014/2015	2015/16	2016/17	2017/18	2017/18	2017/18	2018/19	2019/20	2020/21
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Municipal/assistant valuer appointed? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	in progress	in progress
Municipal partnership s38 used? (Y/N)		No	No	No	No	No	No	No	No	No
No. of assistant valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of data collectors (FTE)	3	2	2	2	2	2	2	2	2	2
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Implementation time of new valuation roll (mths)		48	48	48	48	-	-	60	60	60
No. of properties	5	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910	4,910
No. of sectional title values	5	10	10	10	10	10	10	10	10	10
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
No. of valuation roll amendments		79	36	103	96	96	96	52	35	40
No. of objections by rate payers		15	20	34	10	10	10	5	3	2
No. of appeals by rate payers		-	-	-	-	-	-	-	-	-
No. of successful objections	8	15	20	34	10	10	10	5	3	2
No. of successful objections > 10%	8	-	-	-	-	-	-	-	-	-
Supplementary valuation		178,370,000	212,130,000	32,893,000	123,270,000	123,270,000	123,270,000	13,520,000	28,560,000	22,360,000
Public service infrastructure value (Rm)	5	-	-	-	43	43	43	43	43	47
Municipality owned property value (Rm)		-	-	-	91	91	91	91	91	100
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		1	1	1	31	31	31	37	37	47
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		40	40	40	41	41	41	41	41	41
Valuation reductions-public worship (Rm)		27	27	27	24	24	24	24	26	26
Valuation reductions-other (Rm)		116	116	116	120	120	120	120	121	122
Total valuation reductions:		184	184	184	216	216	216	222	225	237
Total value used for rating (Rm)	5	3,180	3,180	3,180	3,487	3,487	3,487	3,487	3,835	3,835
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	3,180	3,180	3,180	3,487	3,487	3,487	3,487	3,835	3,835
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	5	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Differential rates used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Limit on annual rate increase (s20)? (Y/N)		-	-	-	-	-	-	-	-	-
Special rating area used? (Y/N)		-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-
Rates policy accompanying budget? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-
Fixed amount minimum value (R'000)		60	60	60	60	60	60	60	-	-
Non-residential prescribed ratio s19? (%)		0.0%	0.0%	0.0%	0.0%	-	-	0.0%	-	-
Rate revenue:										
Rate revenue budget (R'000)	6	25,418	26,833	31,402	33,362	35,275	35,275	37,998	40,088	42,293
Rate revenue expected to collect (R'000)	6	17,926	22,944	22,580	30,026	30,026	30,026	33,398	38,083	40,178
Expected cash collection rate (%)		71.0%	86.0%	72.0%	90.0%	85.0%	85.0%	90.0%	95.0%	95.0%
Special rating areas (R'000)	7	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		1,396	1,474	1,592	1,752	1,088	1,088	1,887	1,991	2,100
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates, exemptions, reductions, discounts (R'000)		1,396	1,474	1,592	1,752	1,088	1,088	1,887	1,991	2,100

Table SA 12(a) Property Rates By Category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2017/18																	
Valuation:																	
No. of properties		3,160	–	158	890	286	331	52	–	–	14	–	–	–	–	19	–
No. of sectional title property values		10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		7	–	4	43	–	–	41	–	–	1	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	21	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		41	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	24	–
Valuation reductions-other (Rm)	2	120	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	720	–	488	1,335	572	91	43	–	–	134	–	–	–	–	24	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	720	–	488	1,335	572	91	43	–	–	134	–	–	–	–	24	–
Rating:																	
Average rate	3	0.014574	0.018218	0.018218	0.003644	0.018218	–	0.003644	–	–	0.018218	–	–	–	–	0.003644	–
Rate revenue budget (R '000)		7,006	–	5,358	14,657	6,540	–	243	–	–	1,471	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		5,955	–	4,554	12,458	5,559	–	207	–	–	1,293	–	–	–	–	–	–
Expected cash collection rate (%)	4	85.0%	0.0%	85.0%	85.0%	85.0%	0.0%	85.0%	0.0%	0.0%	85.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		1,088	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates, exemptns, reductns, discs (R'000)																	

Table SA 12(b) Property Rates By Category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2018/19																	
Valuation:																	
No. of properties		3,160	–	158	890	286	331	52	–	–	14	–	–	–	–	19	–
No. of sectional title property values		10	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		7	–	4	43	–	–	41	–	–	1	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable	Variable
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	21	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		41	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	24	–
Valuation reductions-other (Rm)	2	120	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	720	–	488	1,335	572	91	43	–	–	134	–	–	–	–	24	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	720	–	488	1,335	572	91	43	–	–	134	–	–	–	–	24	–
Rating:																	
Average rate	3	0.014574	0.018218	0.018218	0.003644	0.018218	–	0.003644	–	–	0.018218	–	–	–	–	0.003644	–
Rate revenue budget (R '000)		7,006	–	5,358	14,657	6,540	–	243	–	–	1,471	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		5,955	–	4,554	12,458	5,559	–	207	–	–	1,293	–	–	–	–	–	–
Expected cash collection rate (%)	4	85.0%	0.0%	85.0%	85.0%	85.0%	0.0%	85.0%	0.0%	0.0%	85.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		1,088	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total rebates, exemptions, reductions, discounts (R'000)																	

Table SA 13(a) Service Tariffs By Category

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year	Budget Year	Budget Year
							2018/19	+1 2019/20	+2 2020/21
Property rates <i>(rate in the Rand)</i>	1		0.0120	0.0127	0.0137	0.0146	0.0157	0.0166	0.0175
Residential properties			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Residential properties - vacant land			-	-	-	-	-	-	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.0030	0.0032	0.0034	0.0036	0.0039	0.0041	0.0044
Farm properties - not used			0.0030	0.0032	0.0171	0.0182	0.0196	0.0207	0.0218
Industrial properties			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Business and commercial properties			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Communal land - residential			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Communal land - small holdings			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Communal land - farm property			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Communal land - business and commercial			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Communal land - other			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
State-owned properties			0.0150	0.0159	0.0171	0.0182	0.0196	0.0207	0.0218
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.0030	0.0032	0.0034	0.0036	0.0039	0.0041	0.0044
Privately owned towns serviced by the			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Exemptions, reductions and rebates <i>(Rands)</i>									
Residential properties									
R15 000 threshold rebate			15,000	15,000	15,000	15,000	15,000	15,000	15,000
General residential rebate			45,000	45,000	45,000	45,000	45,000	45,000	45,000
Indigent rebate or exemption			-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption			100%	-	-	-	-	-	-
Temporary relief rebate or exemption			25%	-	-	-	-	-	-
Bona fide farmers rebate or exemption			25%	-	-	-	-	-	-
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fix ed fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
Water usage - flat rate tariff <i>(c/kl)</i>									
Water usage - life line tariff		(describe structure)							
Water usage - Block 1 <i>(c/kl)</i>		(fill in thresholds)							
Water usage - Block 2 <i>(c/kl)</i>		(fill in thresholds)							
Water usage - Block 3 <i>(c/kl)</i>		(fill in thresholds)							
Water usage - Block 4 <i>(c/kl)</i>		(fill in thresholds)							
Other	2								
Waste water tariffs									
Domestic									
Basic charge/fix ed fee <i>(Rands/month)</i>									
Service point - vacant land <i>(Rands/month)</i>									
Waste water - flat rate tariff <i>(c/kl)</i>									
Volumetric charge - Block 1 <i>(c/kl)</i>		(fill in structure)							
Volumetric charge - Block 2 <i>(c/kl)</i>		(fill in structure)							
Volumetric charge - Block 3 <i>(c/kl)</i>		(fill in structure)							
Volumetric charge - Block 4 <i>(c/kl)</i>		(fill in structure)							
Other	2								
Electricity tariffs									
Domestic									
Basic charge/fix ed fee <i>(Rands/month)</i>			232	261	281	288	307	324	342
Service point - vacant land <i>(Rands/month)</i>			124	139	150	157	168	177	187
FBE		(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter		(describe structure)	-	-	-	-	-	-	-
Life-line tariff - prepaid		(describe structure)	-	-	-	-	-	-	-
Flat rate tariff - meter <i>(c/kwh)</i>			98	110	118	121	129	136	144
Flat rate tariff - prepaid <i>(c/kwh)</i>									
Meter - IBT Block 1 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 2 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 3 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 4 <i>(c/kwh)</i>		(fill in thresholds)							
Meter - IBT Block 5 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 1 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 2 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 3 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 4 <i>(c/kwh)</i>		(fill in thresholds)							
Prepaid - IBT Block 5 <i>(c/kwh)</i>		(fill in thresholds)							
Other	2								
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fix ed fee									
80l bin - once a week			121	128	138	147	154	163	172
250l bin - once a week			121	128	138	147	154	163	172

Table SA 13(b) Service Tariffs by Category (Explanatory)

Description	Ref	Provide description of tariff structure where appropriate	2014/15	2015/16	2016/17	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
							Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Exemptions, reductions and rebates (Rands)</u>									
Property Rates-impermissible			15,000	15,000	15,000	15,000	15,000	15,000	
Property Rate-rebate			45,000	45,000	45,000	45,000	45,000	45,000	
Property Rates-rebate_indigents			0%	0%	-	1	1	1	
Refuse removal rebate-indigents			0%	0%	-	1	1	1	
<u>Water tariffs</u>									
[Insert blocks as applicable]		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
<u>Waste water tariffs</u>									
[Insert blocks as applicable]		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
<u>Electricity tariffs</u>									
Bulk Consumers-Per KVA		(fill in thresholds)	139.40	156	172	181	193	204	
Bulk Consumers- c/kWh		(fill in thresholds)	60.13	67	74	78	83	88	
Bulk Consumer-Basic Charge/month		(fill in thresholds)	715.68	802	882	926	990	1,044	
Business/Commercial-c/kWh		(fill in thresholds)	108.48	122	134	141	150	159	
Business/Commercial-Basic Charge/month		(fill in thresholds)	516.92	580	638	670	716	755	
Domestic/Residential-c/kWh		(fill in thresholds)	98	110	118	121	129	136	
Domestic/Residential-Basic Charge/month		(fill in thresholds)	232	261	281	288	307	324	
Basic charge-vacant land/month		(fill in thresholds)	124	139	150	157	168	177	
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

Table SA 14 Households

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19 % incr.	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		769	812	876.67	932.74	932.74	932.74		1,004.74	1,060.00	1,118.30
Electricity: Basic levy		232	261	280.78	287.80	287.80	287.80	6.8%	307.49	324.40	342.24
Electricity: Consumption		977	1096	1,180.20	1,209.70	1,209.70	1,209.70		1,290.00	1,360.95	1,435.80
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		121	128	137.82	146.64	146.64	146.64	5.3%	154.41	162.90	171.86
Other											
sub-total		2099	2297	2,475.47	2,576.88	2,576.88	2,576.88	7.0%	2,756.64	2,908.25	3,068.21
VAT on Services		186	208	223.83	230.16	230.16	230.16		245.28	258.72	273.00
Total large household bill:		2286	2504	2,699.30	2,807.04	2,807.04	2,807.04	6.9%	3,001.92	3,166.97	3,341.21
% increase/-decrease			0	7.8%	4.0%	-	-	6.9%	6.9%	5.5%	5.5%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		528	558	602.71	641.26	641.26	641.26		690.76	728.75	768.83
Electricity: Basic levy		232	261	280.78	287.80	287.80	287.80	6.8%	307.49	324.40	342.24
Electricity: Consumption		489	548	590.10	604.85	604.85	604.85		645.00	680.48	717.90
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		121	128	137.82	146.64	146.64	146.64	5.3%	154.41	162.90	171.86
Other											
sub-total		1370	1495	1,611.41	1,680.55	1,680.55	1,680.55	7.0%	1,797.66	1,896.53	2,000.84
VAT on Services		118	131	141.22	145.46	145.46	145.46		154.98	163.52	172.48
Total small household bill:		1488	1626	1,752.63	1,826.01	1,826.01	1,826.01	6.9%	1,952.64	2,060.05	2,173.32
% increase/-decrease			0	7.8%	4.2%	-	-	6.9%	6.9%	5.5%	5.5%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		288	304	328.75	349.78	349.78	349.78	7.7%	376.78	397.51	419.37
Electricity: Basic levy		232	261	280.78	287.80	287.80	287.80	6.8%	307.49	324.40	342.24
Electricity: Consumption		342	384	413.07	423.40	423.40	423.40	6.6%	451.50	476.33	502.53
Water: Basic levy											
Water: Consumption											
Sanitation											
Refuse removal		121	128	137.82	146.64	146.64	146.64	5.3%	154.41	162.90	171.86
Other											
sub-total		984	1077	1,160.42	1,207.62	1,207.62	1,207.62	6.8%	1,290.18	1,361.14	1,436.01
VAT on Services		97	102	116.43	120.12	120.12	120.12	-	127.82	134.96	142.38
Total small household bill:		1081	1179	1,276.85	1,327.74	1,327.74	1,327.74	6.8%	1,418.00	1,496.10	1,578.39
% increase/-decrease			0	8.3%	4.0%	-	-	6.8%	6.8%	5.5%	5.5%

Table SA 15 Investment Particulars By Type

Investment type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		13,134	9,772	1,602	19,448	5,000	5,000	4,719	4,447	12,156
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	13,134	9,772	1,602	19,448	5,000	5,000	4,719	4,447	12,156
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		13,134	9,772	1,602	19,448	5,000	5,000	4,719	4,447	12,156

Table SA 16 Investment Particulars By Maturity

Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	1	Yrs/Months												
<u>Parent municipality</u>														
First National Bank				No	6-8%	0.05	0	0	On Call	1,602				1,602
														-
														-
														-
														-
Municipality sub-total										1,602		-	-	1,602
<u>Entities</u>														
														-
														-
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	1									1,602		-	-	1,602

Table SA 17 Borrowing

Borrowing - Categorised by type	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Parent municipality										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		509	509	-	3,000	-	-	5,000	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		3,183	3,183	-	17,130	7,600	7,600	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	3,692	3,692	-	20,130	7,600	7,600	5,000	-	-
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	3,692	3,692	-	20,130	7,600	7,600	5,000	-	-

Table SA 18 Transfers and Receipts

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		81,553	104,069	104,753	115,761	115,761	115,761	125,624	137,232	149,490
Local Government Equitable Share		76,982	96,890	97,800	107,746	107,746	107,746	119,730	133,382	145,138
Finance Management		1,800	1,800	1,825	1,900	1,900	1,900	1,970	2,435	2,867
Municipal Systems Improvement		934	930	–	–	–	–	–	–	–
EPWP Incentive		1,837	4,449	3,021	4,678	4,678	4,678	2,534	–	–
Municipal Infrastructure Grant 5%		–	–	2,107	1,437	1,437	1,437	1,390	1,415	1,485
Provincial Government:		1,122	1,313	1,657	1,545	1,545	1,545	1,451	1,529	1,614
Maintenance of Sports Facility		76	–	334	167	167	167	–	–	–
Community Library Services		126	340	358	376	376	376	396	417	440
Provincialisation of Libraries		920	973	965	1,002	1,002	1,002	1,055	1,112	1,173
IDP - Public Participation		–	–	–	–	–	–	–	–	–
Pound		–	–	–	–	–	–	–	–	–
District Municipality:		100	–	–	–	–	–	–	–	–
ZDM Tourism Subsidy		100	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	82,775	105,382	106,410	117,306	117,306	117,306	127,075	138,761	151,104
Capital Transfers and Grants										
National Government:		48,941	39,852	58,029	36,304	36,304	36,304	34,904	38,887	40,223
Municipal Infrastructure Grant (MIG)		29,408	27,852	40,029	27,304	27,304	27,304	26,404	26,887	28,223
Integrated Electrification- DME		19,533	12,000	18,000	9,000	9,000	9,000	8,500	12,000	12,000
Provincial Government:		6,276	14,500	–	–	4,500	–	–	–	–
Sports Facility - Ncotshane		390	–	–	–	–	–	–	–	–
Streetlighting		122	–	–	–	–	–	–	–	–
Flea Market		81	–	–	–	–	–	–	–	–
Umbube Cultural Village		5,429	4,500	–	–	4,500	–	–	–	–
Sub-rank		255	–	–	–	–	–	–	–	–
Massification Programme (Electricity)		–	10,000	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
ZDM Tourism Subsidy		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	55,217	54,352	58,029	36,304	40,804	36,304	34,904	38,887	40,223
TOTAL RECEIPTS OF TRANSFERS & GRANTS		137,992	159,734	164,439	153,610	158,110	153,610	161,979	177,648	191,327

Table SA 19 Expenditure on Transfers and Grant Programmes

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		81,553	104,069	104,158	115,761	115,761	115,761	125,624	137,232	149,490
Local Government Equitable Share		76,982	96,890	97,800	107,746	107,746	107,746	119,730	133,382	145,138
Finance Management		1,800	1,800	1,825	1,900	1,900	1,900	1,970	2,435	2,867
Municipal Systems Improvement		934	930	—	—	—	—	—	—	—
EPWP Incentive		1,837	4,449	3,021	4,678	4,678	4,678	2,534	—	—
Municipal Infrastructure Grant 5%				1,512	1,437	1,437	1,437	1,390	1,415	1,485
Provincial Government:		—	1,479	980	1,545	1,545	1,545	1,451	1,529	1,614
Maintenance of Sports Facility		—	166	167	167	167	167	—	—	—
Community Library Services		—	340	358	376	376	376	396	417	440
Provincialisation of Libraries		—	973	965	1,002	1,002	1,002	1,055	1,112	1,173
IDP - Public Participation		—	—	—	—	—	—	—	—	—
Pound		—	—	(510)	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
ZDM Tourism Subsidy										
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]										
Total operating expenditure of Transfers and Grants		81,553	105,548	105,139	117,306	117,306	117,306	127,075	138,761	151,104
Capital expenditure of Transfers and Grants										
National Government:		48,941	42,125	58,130	36,304	36,304	36,304	34,904	38,887	40,223
Municipal Infrastructure Grant (MIG)		29,408	30,125	40,131	27,304	27,304	27,304	26,404	26,887	28,223
Integrated Electrification- DME		19,533	12,000	17,999	9,000	9,000	9,000	8,500	12,000	12,000
Provincial Government:		6,276	12,235	6,157	167	4,667	—	—	—	—
Sports Facility - Ncotshane		390	—	—	167	167	—	—	—	—
Streetlighting		122	109	421	—	—	—	—	—	—
Flea Market		81	704	—	—	—	—	—	—	—
Umbube Cultural Village		5,429	3,332	2,232	—	4,500	—	—	—	—
Sub-rank		255	1,135	460	—	—	—	—	—	—
Massification Programme (Electricity)		—	6,956	3,044	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
ZDM Tourism Subsidy					—	—	—			
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]										
Total capital expenditure of Transfers and Grants		55,217	54,360	64,286	36,471	40,971	36,304	34,904	38,887	40,223
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		136,770	159,908	169,425	153,777	158,277	153,610	161,979	177,648	191,327

Table SA 20 Reconciliation of Transfers, Grant Receipts and Unspent Funds

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

Table SA 21 Transfers and Grants Made by Municipality

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18				2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand											
Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Groups of Individuals											
<i>Insert description</i>		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other municipalities											
<i>Insert description</i>	1	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms											
<i>Insert description</i>	2	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State											
<i>Insert description</i>	3	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations											
<i>Insert description</i>	4	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals											
<i>Insert description</i>	5	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	-	-	-	-	-	-	-	-	-	-

Table SA 22 Summary Councillors and Staff Benefits

Summary of Employee and Councillor remuneration	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		5,304	5,041		5,957	6,014	6,014	8,499	9,094	9,822
Pension and UIF Contributions		—	—		—	—	—	—	—	—
Medical Aid Contributions		—	—		—	—	—	—	—	—
Motor Vehicle Allowance		1,607	2,199		1,986	2,005	2,005	—	—	—
Cellphone Allowance		562	518		694	1,183	1,183	1,254	1,342	1,449
Housing Allowances		—	—		—	—	—	—	—	—
Other benefits and allowances		—	—		110	104	104	111	118	128
Sub Total - Councillors	4	7,473	7,758	—	8,746	9,306	9,306	9,864	10,554	11,399
% increase			3.8%	(100.0%)	—	6.4%	—	6.0%	7.0%	8.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		2,838	2,656		4,308	3,442	3,442	4,646	4,896	5,166
Pension and UIF Contributions		—	—		—	—	—	—	—	—
Medical Aid Contributions		—	—		—	—	—	—	—	—
Overtime		—	—		—	—	—	—	—	—
Performance Bonus		—	—		769	769	769	758	799	843
Motor Vehicle Allowance	3	179	—		773	290	290	291	291	291
Cellphone Allowance	3	34	—		32	12	12	12	12	12
Housing Allowances	3	—	—		—	—	—	—	—	—
Other benefits and allowances	3	105	—		406	166	166	254	268	283
Payments in lieu of leave	3	92	—		—	—	—	—	—	—
Long service awards		—	—		—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—		—	—	—	—	—	—
Sub Total - Senior Managers of Municipality	4	3,248	2,656	—	6,289	4,679	4,679	5,961	6,266	6,594
% increase			(18.2%)	(100.0%)	—	(25.6%)	—	27.4%	5.1%	5.2%
Other Municipal Staff										
Basic Salaries and Wages		29,910	43,644		49,944	50,177	50,177	56,294	59,334	62,597
Pension and UIF Contributions		3,526	5,385		6,071	6,045	6,045	8,637	9,105	9,606
Medical Aid Contributions		1,646	2,146		2,397	2,519	2,519	4,448	4,689	4,665
Overtime		1,340	2,209		2,263	2,658	2,658	2,788	2,939	3,100
Performance Bonus		2,302	3,297		4,522	3,483	3,483	4,631	4,842	5,108
Motor Vehicle Allowance	3	1,983	3,319		3,673	4,475	4,475	4,538	4,538	4,538
Cellphone Allowance	3	72	106		148	153	153	241	241	241
Housing Allowances	3	31	484		115	201	201	225	225	225
Other benefits and allowances	3	925	1,181		801	1,525	1,525	1,339	1,439	1,519
Payments in lieu of leave		—	—		—	—	—	—	—	—
Long service awards		—	—		—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—		—	—	—	—	—	—
Sub Total - Other Municipal Staff	4	41,734	61,772	—	69,935	71,236	71,236	83,142	87,353	91,601
% increase			48.0%	(100.0%)	—	1.9%	—	16.7%	5.1%	4.9%
Total Parent Municipality		52,455	72,186	—	84,970	85,220	85,220	98,967	104,174	109,594
% increase			37.6%	(100.0%)	—	0.3%	—	16.1%	5.3%	5.2%
Board Members of Entities										
Basic Salaries and Wages		—	—		—	—	—	—	—	—
Pension and UIF Contributions		—	—		—	—	—	—	—	—
Medical Aid Contributions		—	—		—	—	—	—	—	—
Overtime		—	—		—	—	—	—	—	—
Performance Bonus		—	—		—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—		—	—	—	—	—	—
Cellphone Allowance	3	—	—		—	—	—	—	—	—
Housing Allowances	3	—	—		—	—	—	—	—	—
Other benefits and allowances	3	—	—		—	—	—	—	—	—
Board Fees		—	—		—	—	—	—	—	—
Payments in lieu of leave		—	—		—	—	—	—	—	—
Long service awards		—	—		—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—		—	—	—	—	—	—
Sub Total - Board Members of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Senior Managers of Entities										
Basic Salaries and Wages		—	—		—	—	—	—	—	—
Pension and UIF Contributions		—	—		—	—	—	—	—	—
Medical Aid Contributions		—	—		—	—	—	—	—	—
Overtime		—	—		—	—	—	—	—	—
Performance Bonus		—	—		—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—		—	—	—	—	—	—
Cellphone Allowance	3	—	—		—	—	—	—	—	—
Housing Allowances	3	—	—		—	—	—	—	—	—
Other benefits and allowances	3	—	—		—	—	—	—	—	—
Payments in lieu of leave		—	—		—	—	—	—	—	—
Long service awards		—	—		—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—		—	—	—	—	—	—
Sub Total - Senior Managers of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Other Staff of Entities										
Basic Salaries and Wages		—	—		—	—	—	—	—	—
Pension and UIF Contributions		—	—		—	—	—	—	—	—
Medical Aid Contributions		—	—		—	—	—	—	—	—
Overtime		—	—		—	—	—	—	—	—
Performance Bonus		—	—		—	—	—	—	—	—
Motor Vehicle Allowance	3	—	—		—	—	—	—	—	—
Cellphone Allowance	3	—	—		—	—	—	—	—	—
Housing Allowances	3	—	—		—	—	—	—	—	—
Other benefits and allowances	3	—	—		—	—	—	—	—	—
Payments in lieu of leave		—	—		—	—	—	—	—	—
Long service awards		—	—		—	—	—	—	—	—
Post-retirement benefit obligations	6	—	—		—	—	—	—	—	—
Sub Total - Other Staff of Entities	4	—	—	—	—	—	—	—	—	—
% increase			—	—	—	—	—	—	—	—
Total Municipal Entities		—	—	—	—	—	—	—	—	—
TOTAL SALARY, ALLOWANCES & BENEFITS		52,455	72,186	—	84,970	85,220	85,220	98,967	104,174	109,594
% increase	4		37.6%	(100.0%)	—	0.3%	—	16.1%	5.3%	5.2%
TOTAL MANAGERS AND STAFF	5,7	44,982	64,429	—	76,224	75,914	75,914	89,103	93,619	98,195

Table SA 23 Salaries, Allowances & Benefits (Political Office Bearers/councilors/Senior Managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		376,525	-	47,064			423,589
Chief Whip				-				-
Executive Mayor			470,657	-	47,064			517,721
Deputy Executive Mayor			376,525	-	47,064			423,589
Executive Committee			1,058,997	-	141,192			1,200,189
Total for all other councillors			6,216,408		1,082,472			7,298,880
Total Councillors	8	-	8,499,112	-	1,364,856			9,863,968
Senior Managers of the Municipality	5							
Municipal Manager (MM)			592,396	8,663	342,121	168,213		1,111,393
Chief Finance Officer			810,646	8,777	32,395	118,026		969,844
Director: Corporate Services			810,646	8,786	32,395	118,026		969,853
Director: Community Services			810,646	8,786	32,395	118,026		969,853
Director: Technical Services			810,646	8,786	32,395	118,026		969,853
Director: Planning and Development			810,646	8,786	32,395	118,026		969,853
List of each official with packages >= senior manager								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	4,645,626	52,584	504,096	758,343		5,960,649
A Heading for Each Entity	6,7							
List each member of board by designation								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-		-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	13,144,738	52,584	1,868,952	758,343		15,824,617

Table SA 24 Summary of Personnel Numbers

Summary of Personnel Numbers		Ref	2016/17			Current Year 2017/18			Budget Year 2018/19		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			29	–	29	29	–	29	29	–	29
Board Members of municipal entities	4		–	–	–	–	–	–	–	–	–
Municipal employees	5		–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3		5	–	5	5	–	5	6	–	6
Other Managers	7		11	11	–	17	17	–	–	–	–
Professionals			12	12	–	26	26	–	–	–	–
Finance			4	4	–	11	11	–	–	–	–
Spatial/town planning			5	5	–	8	8	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			–	–	–	–	–	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			3	3	–	7	7	–	–	–	–
Technicians			26	26	–	42	42	–	–	–	–
Finance			–	–	–	–	–	–	–	–	–
Spatial/town planning			–	–	–	–	–	–	–	–	–
Information Technology			–	–	–	–	–	–	–	–	–
Roads			–	–	–	–	–	–	–	–	–
Electricity			1	1	–	1	1	–	–	–	–
Water			–	–	–	–	–	–	–	–	–
Sanitation			–	–	–	–	–	–	–	–	–
Refuse			–	–	–	–	–	–	–	–	–
Other			25	25	–	41	41	–	–	–	–
Clerks (Clerical and administrative)			32	32	–	53	53	–	–	–	–
Service and sales workers			119	89	30	136	136	–	–	–	–
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			–	–	–	–	–	–	–	–	–
Plant and Machine Operators			18	18	–	40	40	–	–	–	–
Elementary Occupations			–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS	9		252	188	64	348	314	34	35	–	35

Table SA 25 Budgeted Monthly Revenue and Expenditure

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue By Source																
Property rates		–	–	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	35,999	37,943	40,029
Service charges - electricity revenue		3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	36,846	38,836	40,972
Service charges - water revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		877	877	877	877	877	877	877	877	877	877	877	877	10,523	11,092	11,702
Service charges - other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment		61	61	61	61	61	61	61	61	61	61	61	61	735	775	818
Interest earned - external investments		129	129	129	129	129	129	129	129	129	129	129	129	1,549	1,632	1,722
Interest earned - outstanding debtors		675	675	675	675	675	675	675	675	675	675	675	675	8,096	8,533	9,003
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		41	41	41	41	41	41	41	41	41	41	41	41	491	518	546
Licences and permits		131	131	131	131	131	131	131	131	131	131	131	131	1,566	1,651	1,742
Agency services		66	66	66	66	66	66	66	66	66	66	66	66	790	832	878
Transfers and subsidies		42,358	–	–	–	–	42,358	–	–	42,358	–	–	–	127,075	138,761	151,104
Other revenue		111	111	111	111	111	111	111	111	111	111	111	111	1,327	1,399	1,476
Gains on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		47,519	5,160	8,760	8,760	8,760	51,118	8,760	8,760	51,118	8,760	8,760	8,760	224,998	241,972	259,991
Expenditure By Type																
Employee related costs		7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	89,103	93,619	98,195
Remuneration of councillors		822	822	822	822	822	822	822	822	822	822	822	822	9,864	10,554	11,399
Debt impairment		1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	1,309	15,707	16,555	17,466
Depreciation & asset impairment		1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	12,742	13,430	14,169
Finance charges		197	197	197	197	197	197	197	197	197	197	197	197	2,660	3,019	3,010
Bulk purchases		2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	28,812	30,368	32,038
Other materials		1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	12,930	13,702	14,456
Contracted services		1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,743	21,998	25,315	23,714
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure		4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	4,619	5,369	56,183	52,529	55,175
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	21,706	250,000	259,093	269,622
Surplus/(Deficit)		26,765	(15,594)	(11,994)	(11,994)	(11,994)	30,365	(11,994)	(11,994)	30,365	(11,994)	(11,994)	(12,946)	(25,002)	(17,120)	(9,630)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)													34,904	34,904	38,887	40,223
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													–	–	–	–
Transfers and subsidies - capital (in-kind - all)													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		26,765	(15,594)	(11,994)	(11,994)	(11,994)	30,365	(11,994)	(11,994)	30,365	(11,994)	(11,994)	21,958	9,902	21,767	30,592
Taxation													–	–	–	–
Attributable to minorities													–	–	–	–
Share of surplus/ (deficit) of associate													–	–	–	–
Surplus/(Deficit)	1	26,765	(15,594)	(11,994)	(11,994)	(11,994)	30,365	(11,994)	(11,994)	30,365	(11,994)	(11,994)	21,958	9,902	21,767	30,592

Table SA 26 Monthly Revenue and Expenditure (Municipal Vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue by Vote																
Vote 1 - Executive and Council		1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	23,107	24,354	25,694
Vote 2 - Finance and administration		7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	85,117	90,072	95,324
Vote 3 - Community and Social Services		1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,439	24,514	30,282
Vote 4 - Sports and Recreation		350	350	350	350	350	350	350	350	350	350	350	350	4,198	4,425	4,668
Vote 5 - Public Safety		793	793	793	793	793	793	793	793	793	793	793	793	9,517	10,031	10,583
Vote 6 - Housing		53	53	53	53	53	53	53	53	53	53	53	53	633	667	704
Vote 7 - Planning and Development		3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	43,927	42,815	44,829
Vote 8 - Roads Transport		910	910	910	910	910	910	910	910	910	910	910	910	10,921	11,511	12,144
Vote 9 - Energy Sources		3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	45,584	51,086	53,236
Vote 10 - Waste Management		1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	14,112	14,874	15,692
Vote 11 - Other		529	529	529	529	529	529	529	529	529	529	529	529	6,347	6,689	7,057
Vote 12 -													-	-	-	-
Vote 13 -													-	-	-	-
Vote 14 -													-	-	-	-
Vote 15 -													-	-	-	-
Total Revenue by Vote		21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	259,902	281,039	300,214
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	26,267	27,770	29,527
Vote 2 - Finance and administration		5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	6,681	68,109	72,303	72,988
Vote 3 - Community and Social Services		2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	29,220	29,599	30,751
Vote 4 - Sports and Recreation		821	821	821	821	821	821	821	821	821	821	821	677	9,713	10,385	10,952
Vote 5 - Public Safety		1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	16,469	17,135	18,019
Vote 6 - Housing		44	44	44	44	44	44	44	44	44	44	44	44	530	242	256
Vote 7 - Planning and Development		1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	21,584	19,680	20,677
Vote 8 - Roads Transport		1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	16,005	16,853	17,764
Vote 9 - Energy Sources		2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	35,781	37,551	39,612
Vote 10 - Waste Management		1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	20,812	21,778	22,976
Vote 11 - Other		459	459	459	459	459	459	459	459	459	459	459	459	5,511	5,796	6,102
Vote 12 -													-	-	-	-
Vote 13 -													-	-	-	-
Vote 14 -													-	-	-	-
Vote 15 -													-	-	-	-
Total Expenditure by Vote		20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	21,706	250,000	259,093	269,622
Surplus/(Deficit) before assoc.		905	905	905	905	905	905	905	905	905	905	905	(48)	9,902	21,947	30,592
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	905	905	905	905	905	905	905	905	905	905	905	(48)	9,902	21,947	30,592

Table SA 27 Monthly Revenue and Expenditure (standard classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Revenue - Functional																
<i>Governance and administration</i>		9,019	9,019	9,019	9,019	9,019	9,019	9,019	9,019	9,019	9,019	9,019	9,019	108,224	114,427	121,018
Executive and council		1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	1,926	23,107	24,354	25,694
Finance and administration		7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	7,093	85,117	90,072	95,324
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		2,566	2,566	2,566	2,566	2,566	2,566	2,566	2,566	2,566	2,566	2,566	2,566	30,788	39,637	46,237
Community and social services		1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	16,439	24,514	30,282
Sport and recreation		350	350	350	350	350	350	350	350	350	350	350	350	4,198	4,425	4,668
Public safety		793	793	793	793	793	793	793	793	793	793	793	793	9,517	10,031	10,583
Housing		53	53	53	53	53	53	53	53	53	53	53	53	633	667	704
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		4,571	4,571	4,571	4,571	4,571	4,571	4,571	4,571	4,571	4,571	4,571	4,571	54,848	54,326	56,973
Planning and development		3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	3,661	43,927	42,815	44,829
Road transport		910	910	910	910	910	910	910	910	910	910	910	910	10,921	11,511	12,144
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	4,975	59,696	65,960	68,928
Energy sources		3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	3,799	45,584	51,086	53,236
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	1,176	14,112	14,874	15,692
<i>Other</i>		529	529	529	529	529	529	529	529	529	529	529	529	6,347	6,689	7,057
Total Revenue - Functional		21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	21,659	259,902	281,039	300,214
Expenditure - Functional																
<i>Governance and administration</i>		7,773	7,773	7,773	7,773	7,773	7,773	7,773	7,773	7,773	7,773	7,773	8,870	94,376	100,074	102,515
Executive and council		2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	2,189	26,267	27,770	29,527
Finance and administration		5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	5,584	6,681	68,109	72,303	72,988
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		4,673	4,673	4,673	4,673	4,673	4,673	4,673	4,673	4,673	4,673	4,673	4,529	55,931	57,362	59,977
Community and social services		2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	2,435	29,220	29,599	30,751
Sport and recreation		821	821	821	821	821	821	821	821	821	821	821	677	9,713	10,385	10,952
Public safety		1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	1,372	16,469	17,135	18,019
Housing		44	44	44	44	44	44	44	44	44	44	44	44	530	242	256
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		3,132	3,132	3,132	3,132	3,132	3,132	3,132	3,132	3,132	3,132	3,132	3,132	37,589	36,533	38,440
Planning and development		1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	1,799	21,584	19,680	20,677
Road transport		1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	1,334	16,005	16,853	17,764
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Trading services</i>		4,716	4,716	4,716	4,716	4,716	4,716	4,716	4,716	4,716	4,716	4,716	4,716	56,593	59,329	62,588
Energy sources		2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	2,982	35,781	37,551	39,612
Water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Waste management		1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	1,734	20,812	21,778	22,976
<i>Other</i>		459	459	459	459	459	459	459	459	459	459	459	459	5,511	5,796	6,102
Total Expenditure - Functional		20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	20,754	21,706	250,000	259,093	269,622
Surplus/(Deficit) before assoc.		905	905	905	905	905	905	905	905	905	905	905	(48)	9,902	21,947	30,592
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	905	905	905	905	905	905	905	905	905	905	905	(48)	9,902	21,947	30,592

Table SA 28 Budgeted Monthly Capital Expenditure (municipal vote)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Roads Transport		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Energy Sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Executive and Council		-	-	-	39	-	-	-	-	-	-	-	-	39	67	93
Vote 2 - Finance and administration		-	1,928	-	132	2,060	-	-	-	2,060	-	-	0	6,179	2,374	1,038
Vote 3 - Community and Social Services		237	237	-	-	-	-	-	-	-	-	-	-	474	1,023	296
Vote 4 - Sports and Recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	1,060	-	-	-	-	-	1,060	4,300	-
Vote 6 - Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	-	-	2,683	26,830	27,032	28,369
Vote 8 - Roads Transport		-	-	500	-	-	-	-	-	-	-	-	9,600	10,100	700	710
Vote 9 - Energy Sources		-	-	850	850	850	850	850	850	850	850	-	1,700	8,500	12,000	12,000
Vote 10 - Waste Management		-	40	-	-	-	-	-	-	-	-	-	-	40	1,080	580
Vote 11 - Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	2,920	4,888	4,033	3,703	5,593	3,533	4,593	3,533	5,593	850	-	13,983	53,221	48,575	43,087
Total Capital Expenditure	2	2,920	4,888	4,033	3,703	5,593	3,533	4,593	3,533	5,593	850	-	13,983	53,221	48,575	43,087

Table SA 29 Budgeted Monthly Capital Expenditure (standard classification)

Description	Ref	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		–	1,928	–	171	2,060	–	–	–	2,060	–	–	0	6,217	2,440	1,131
Executive and council		–	–	–	39	–	–	–	–	–	–	–	–	39	67	93
Finance and administration		–	1,928	–	132	2,060	–	–	–	2,060	–	–	0	6,179	2,374	1,038
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		–	–	–	–	–	–	1,060	–	–	–	–	974	2,034	6,023	1,006
Community and social services		–	–	–	–	–	–	–	–	–	–	–	974	974	1,723	1,006
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	1,060	–	–	–	–	–	1,060	4,300	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	–	–	12,283	36,430	27,032	28,369
Planning and development		2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	2,683	–	–	2,683	26,830	27,032	28,369
Road transport		–	–	–	–	–	–	–	–	–	–	–	9,600	9,600	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<i>Trading services</i>		–	40	850	850	850	850	850	850	850	850	–	1,700	8,540	13,080	12,580
Energy sources		–	–	850	850	850	850	850	850	850	850	–	1,700	8,500	12,000	12,000
Water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Waste management		–	40	–	–	–	–	–	–	–	–	–	–	40	1,080	580
<i>Other</i>		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	2,683	4,651	3,533	3,703	5,593	3,533	4,593	3,533	5,593	850	–	14,957	53,221	48,575	43,087
Funded by:																
National Government		2,683	2,683	3,533	3,533	3,533	3,533	3,533	3,533	3,533	850	–	3,957	34,904	38,887	40,223
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		2,683	2,683	3,533	3,533	3,533	3,533	3,533	3,533	3,533	850	–	3,957	34,904	38,887	40,223
Public contributions & donations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	2,060	–	–	–	1,619	–	–	10,921	14,600	–	–
Internally generated funds		–	1,968	–	171	–	–	1,060	–	440	–	–	78	3,717	9,688	2,864
Total Capital Funding		2,683	4,651	3,533	3,703	5,593	3,533	4,593	3,533	5,593	850	–	14,957	53,221	48,575	43,087

Table SA 30 Budgeted Monthly Cash Flow

MONTHLY CASH FLOWS	Budget Year 2018/19												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand															
Cash Receipts By Source															
Property rates	—	—	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	2,808	28,079	29,595	31,223
Service charges - electricity revenue	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	3,071	36,846	38,836	40,972
Service charges - water revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Service charges - refuse revenue	684	684	684	684	684	684	684	684	684	684	684	684	8,208	8,652	9,127
Service charges - other	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rental of facilities and equipment	61	61	61	61	61	61	61	61	61	61	61	61	735	775	818
Interest earned - external investments	129	129	129	129	129	129	129	129	129	129	129	129	1,549	1,632	1,722
Interest earned - outstanding debtors	675	675	675	675	675	675	675	675	675	675	675	675	8,096	8,533	9,003
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	41	41	41	41	41	41	41	41	41	41	41	41	491	518	546
Licences and permits	131	131	131	131	131	131	131	131	131	131	131	131	1,566	1,651	1,742
Agency services	66	66	66	66	66	66	66	66	66	66	66	66	790	832	878
Transfer receipts - operational	—	—	—	—	—	—	—	—	—	—	—	127,075	127,075	138,761	151,104
Other revenue	—	—	—	—	—	—	—	—	—	—	—	1,327	1,327	1,399	1,476
Cash Receipts by Source	4,857	4,857	7,665	7,665	7,665	7,665	7,665	7,665	7,665	7,665	7,665	136,067	214,763	231,185	248,611
Other Cash Flows by Source															
Transfer receipts - capital	13,962	—	—	—	—	10,471	—	—	10,471	—	—	—	34,904	38,887	40,223
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Proceeds on disposal of PPE	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Short term loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing	—	—	—	—	5,000	—	—	—	—	—	—	—	5,000	—	—
Increase (decrease) in consumer deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (Increase) in non-current debtors	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source	18,819	4,857	7,665	7,665	12,665	18,136	7,665	7,665	18,136	7,665	7,665	136,067	254,667	270,072	288,833
Cash Payments by Type															
Employee related costs	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	7,425	89,103	93,619	98,195
Remuneration of councillors	822	822	822	822	822	822	822	822	822	822	822	822	9,864	10,554	11,399
Finance charges	197	197	197	197	197	197	197	197	197	197	197	(270)	1,892	1,097	398
Bulk purchases - Electricity	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	2,401	28,812	30,368	32,038
Bulk purchases - Water & Sewer	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other materials	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	12,930	13,702	14,456
Contracted services	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	1,841	22,097	23,290	24,571
Transfers and grants - other municipalities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and grants - other	212	212	212	212	212	212	212	212	212	212	212	212	2,544	2,681	2,828
Other expenditure	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	3,120	37,438	43,031	50,537
Cash Payments by Type	17,096	17,096	17,096	17,096	17,096	17,096	17,096	17,096	17,096	17,096	17,096	16,629	204,680	218,344	234,424
Other Cash Flows/Payments by Type															
Capital assets	2,683	4,651	3,533	3,703	5,593	3,533	4,593	3,533	5,593	850	—	5,357	43,621	48,575	43,087
Repayment of borrowing	271	271	271	271	271	271	271	271	271	271	271	271	3,250	3,425	3,614
Other Cash Flows/Payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Payments by Type	20,049	22,017	20,899	21,070	22,959	20,899	21,959	20,899	22,959	18,216	17,366	22,257	251,552	270,344	281,124
NET INCREASE/(DECREASE) IN CASH HELD	(1,231)	(17,160)	(13,235)	(13,405)	(10,294)	(2,763)	(14,295)	(13,235)	(4,823)	(10,552)	(9,702)	113,810	3,116	(272)	7,709
Cash/cash equivalents at the month/year begin:	1,604	373	(16,787)	(30,022)	(43,427)	(53,721)	(56,485)	(70,779)	(84,014)	(88,837)	(99,389)	(109,091)	1,604	4,719	4,447
Cash/cash equivalents at the month/year end:	373	(16,787)	(30,022)	(43,427)	(53,721)	(56,485)	(70,779)	(84,014)	(88,837)	(99,389)	(109,091)	4,719	4,719	4,447	12,156

Table SA 31 Municipality does not have entities

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R million										
<u>Financial Performance</u>										
Property rates										
Service charges										
Investment revenue										
Transfers recognised - operational										
Other own revenue										
Contributions recognised - capital & contributed assets										
Total Revenue (excluding capital transfers and contri		-	-	-	-	-	-	-	-	-
Employee costs										
Remuneration of Board Members										
Depreciation & asset impairment										
Finance charges										
Materials and bulk purchases										
Transfers and grants										
Other expenditure										
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
<u>Capital expenditure & funds sources</u>										
<u>Capital expenditure</u>										
Transfers recognised - operational										
Public contributions & donations										
Borrowing										
Internally generated funds										
Total sources		-	-	-	-	-	-	-	-	-
<u>Financial position</u>										
Total current assets										
Total non current assets										
Total current liabilities										
Total non current liabilities										
Equity										
<u>Cash flows</u>										
Net cash from (used) operating										
Net cash from (used) investing										
Net cash from (used) financing										
Cash/cash equivalents at the year end										

Table SA 32 List of External Mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
Best 2 Electrical	Yrs	3	Repairs and maintenance of electrical networks incl	31 January 2018	1,452
Sigma IT	Yrs	3	Maintenance of municipal IT equipment	28 February 2017	1,242
Metgovis	Yrs	Ongoing	Maintenance of the general valuation system	N/a	–
Telkom	Yrs	5	Hire of telecommunication systems	30 April 2017	–
BPG Mass Appraisals	Yrs	5	Preparation of general valuation roll	30 November 2017	660
Fujitsu	Yrs	Ongoing	Licence for the financial system	N/a	1,592
Mvimbeni Security Services	Yrs	3	Provision of security services at municipal buildings	30 April 2017	180
Pay day	Yrs	3	Rental of Salaries system	30 September 2018	–
Induna Construction	Mths	12	Landfill site maintenance	30 June 2013	1,300
Tactical Security	Mths	12	Provision of security services to mayor and speaker	ongoing	1,665
Seartec	Yrs	3	Rental of photocopy equipment	31 November 2017	1,243
D7 Electronics	Yrs	3	Rental of repeaters	31 December 2018	25
Rautels	Yrs	1	Rental of warehouse	31 March 2018	63
Nashua	Yrs	3	Rental of franking machine	29 November 2018	91
Sebata	Yrs	3	Licence for the financial system	31 May 2019	4,613
V1 Security	Yrs	3	Provision of VIP security	31 March 2020	7,380

Table SA 33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework			Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Independent Electoral Commission		144	161	171	179	190	202	214	226	240	254	-	-	1,982
Johnstone		46	51	54	-	-	-	-	-	-	-	-	-	152
Primedia		46	52	55	57	61	65	68	73	77	81	-	-	635
Straten Investments (Pty) Ltd		8	9	10	10	11	12	12	13	14	15	-	-	116
Oasis Toerisme		72	-	-	-	-	-	-	-	-	-	-	-	72
Vodacom		11	12	13	13	14	15	16	17	18	19	-	-	145
Total Operating Revenue Implication		327	286	302	260	276	293	310	329	349	369	-	-	3,102
Expenditure Obligation By Contract	2													
TELKOM		204	57	24	-	-	-	-	-	-	-	-	-	285
BPG MASS APPRAISALS		172	190	190	-	-	-	-	-	-	-	-	-	551
SIGMA IT		1,241	379	-	-	-	-	-	-	-	-	-	-	-
STANDARD BANK		2,977	940	783	-	-	-	-	-	-	-	-	-	-
SEARTEC TRADING (PTY) LIMITED		1,036	342	-	-	-	-	-	-	-	-	-	-	-
AON SOUTH AFRICA (PTY) LTD		535	128	-	-	-	-	-	-	-	-	-	-	-
BEST 2 ELECTRICAL		893	630	368	-	-	-	-	-	-	-	-	-	-
INDUNA LOGISTICS & TERMINALS		2,185	1,873	16	-	-	-	-	-	-	-	-	-	-
STANDARD BANK(Grader & Lowbed)		1,842	1,300	1,300	1,300	758	-	-	-	-	-	-	-	-
FIJUTSU		576	288	144	-	-	-	-	-	-	-	-	-	-
SITA		2,241	395	-	-	-	-	-	-	-	-	-	-	-
METGOVIS		180	180	180	-	-	-	-	-	-	-	-	-	-
V1 SECURITY SERVICES		-	1,025	2,460	1,435	-	-	-	-	-	-	-	-	-
FLEET HORIZON		-	2,920	2,920	2,920	-	-	-	-	-	-	-	-	-
FIDELITY CASH SOLUTIONS		-	76	102	25	-	-	-	-	-	-	-	-	-
MNT GEOMATICS(Beacons)		20	22	22	2	-	-	-	-	-	-	-	-	-
VELA BRANDING		-	118	129	129	21	-	-	-	-	-	-	-	-
KHULA NDABEZITHA CONSTRUCTION AND PROJ		-	44	53	53	9	-	-	-	-	-	-	-	-
SEBATA		1,527	2,014	1,696	-	-	-	-	-	-	-	-	-	-
MZIBANI CONSULTING		448	1,075	1,075	179	-	-	-	-	-	-	-	-	-
MNT GEOMATICS(Spatial Development)		83	100	100	17	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditure Implication		16,158	14,096	11,560	6,060	789	-	-	-	-	-	-	-	48,663
Capital Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		16,158	14,096	11,560	6,060	789	-	-	-	-	-	-	-	48,663

Table SA 34 a Capital Expenditure on New Assets By Asset Class

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcomes	Audited Outcomes	Audited Outcomes	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class		51,533	35,937	48,451	18,422	21,172	21,172	21,404	32,239	40,223
Infrastructure										
Roads Infrastructure		33,991	18,395	30,164	9,422	12,172	12,172	12,904	20,239	28,223
Roads		33,991	18,395	30,164	9,422	12,172	12,172	12,904	20,239	28,223
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		17,542	17,542	18,287	9,000	9,000	9,000	8,500	12,000	12,000
Power Plants		17,542	17,542	18,287	9,000	9,000	9,000	8,500	12,000	12,000
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Refuse Collection										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		3,973	15,396	9,486	20,881	22,632	22,632	13,500	9,468	-
Community Facilities		3,973	15,396	-	10,000	8,537	8,537	7,500	5,030	-
Halls		3,973	15,396	-				8,500		-
Centres										
Cribs/Care Centres					7,000	1,037	1,037	1,000	1,210	
Fire/Ambulance Stations					3,000	3,000	3,000		2,500	
Testing Stations						4,500	4,500			
Museums										
Galleries										
Theatres										
Libraries									620	
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves									700	
Public Abolition Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities				9,486	10,881	14,095	14,095	6,000	4,438	-
Indoor Facilities				9,486	10,881	14,095	14,095	6,000	4,438	
Outdoor Facilities										
Capital Spares										
Heritage assets						4,500	4,500			
Monuments										
Historic Buildings						4,500	4,500			
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets			1,210			500	500	5,000		
Operational Buildings			1,210					5,000		
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices						500	500			
Workshops			1,210							
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depsos										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets					800	800	800			
Services										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		373	936	336	3,052	1,270	1,270	1,311	928	471
Computer Equipment		373	936	336	3,052	1,270	1,270	1,311	928	471
Furniture and Office Equipment		183	492	380	2,126	100	100	200	23	150
Furniture and Office Equipment		183	492	380	2,126	100	100	200	23	150
Machinery and Equipment		42	3,632	74	13,573	8,377	8,377	2,958	5,917	2,243
Machinery and Equipment		42	3,632	74	13,573	8,377	8,377	2,958	5,917	2,243
Transport Assets		-	2,317	1,181	5,480	601	601	8,850	-	-
Transport Assets		-	2,317	1,181	5,480	601	601	8,850	-	-
Libraries		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	56,104	59,920	59,908	64,334	59,952	59,952	53,221	48,575	43,087

Table SA 34 b Capital Expenditure on the Renewal of Existing Assets (by asset class)

Description	Ref	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Capital expenditure on renewal of existing assets by Asset Class/Sub-class	1									
Infrastructure		—	—	—	—	—	—	—	—	—
Roads Infrastructure		—	—	—	—	—	—	—	—	—
Roads		—	—	—	—	—	—	—	—	—
Road Structures		—	—	—	—	—	—	—	—	—
Road Furniture		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Drainage Collection		—	—	—	—	—	—	—	—	—
Storm water Conveyance		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Power Plants		—	—	—	—	—	—	—	—	—
HV Substations		—	—	—	—	—	—	—	—	—
HV Switching Station		—	—	—	—	—	—	—	—	—
HV Transmission Conductors		—	—	—	—	—	—	—	—	—
MV Substations		—	—	—	—	—	—	—	—	—
MV Switching Stations		—	—	—	—	—	—	—	—	—
MV Networks		—	—	—	—	—	—	—	—	—
LV Networks		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Dams and Weirs		—	—	—	—	—	—	—	—	—
Boreholes		—	—	—	—	—	—	—	—	—
Reservoirs		—	—	—	—	—	—	—	—	—
Pump Stations		—	—	—	—	—	—	—	—	—
Water Treatment Works		—	—	—	—	—	—	—	—	—
Bulk Mains		—	—	—	—	—	—	—	—	—
Distribution		—	—	—	—	—	—	—	—	—
Distribution Points		—	—	—	—	—	—	—	—	—
PRV Stations		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Pump Station		—	—	—	—	—	—	—	—	—
Reticulation		—	—	—	—	—	—	—	—	—
Waste Water Treatment Works		—	—	—	—	—	—	—	—	—
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Landfill Sites		—	—	—	—	—	—	—	—	—
Waste Transfer Stations		—	—	—	—	—	—	—	—	—
Waste Processing Facilities		—	—	—	—	—	—	—	—	—
Waste Drop-off Points		—	—	—	—	—	—	—	—	—
Waste Separation Facilities		—	—	—	—	—	—	—	—	—
Electricity Generation Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Rail Lines		—	—	—	—	—	—	—	—	—
Rail Structures		—	—	—	—	—	—	—	—	—
Rail Furniture		—	—	—	—	—	—	—	—	—
Drainage Collection		—	—	—	—	—	—	—	—	—
Storm water Conveyance		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
MV Substations		—	—	—	—	—	—	—	—	—
LV Networks		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Sand Pumps		—	—	—	—	—	—	—	—	—
Piers		—	—	—	—	—	—	—	—	—
Revetments		—	—	—	—	—	—	—	—	—
Promenades		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Data Centres		—	—	—	—	—	—	—	—	—
Core Layers		—	—	—	—	—	—	—	—	—
Distribution Layers		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	—	—	—	—	—	—
Community Facilities		—	—	—	—	—	—	—	—	—
Halls		—	—	—	—	—	—	—	—	—
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	—	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Monuments		—	—	—	—	—	—	—	—	—
Historic Buildings		—	—	—	—	—	—	—	—	—
Works of Art		—	—	—	—	—	—	—	—	—
Conservation Areas		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		—	—	—	—	—	—	—	—	—
Operational Buildings		—	—	—	—	—	—	—	—	—
Municipal Offices		—	—	—	—	—	—	—	—	—
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	—	—	—
Stores		—	—	—	—	—	—	—	—	—
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Services		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licenses		—	—	—	—	—	—	—	—	—
Solid Waste Licenses		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	—	—	—	—	—	—	—	—
Load Settlement Software Applications		—	—	—	—	—	—	—	—	—
Unspecified		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Total Capital Expenditure on renewal of existing	1									

Table SA 34c Repairs and Maintenance Expenditure (by asset class)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		7,592	7,079	3,631	8,131	8,131	8,131	8,503	8,989	9,495
Roads Infrastructure		6,276	5,658	2,621	5,073	4,573	4,573	4,866	5,143	5,431
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure	23		289	128	518	1,018	1,018	1,083	1,145	1,209
Drainage Collection										
Storm water Conveyance	23		289	128	518	1,018	1,018	1,083	1,145	1,209
Attenuation										
Electrical Infrastructure		1,252	1,131	883	2,540	2,540	2,540	2,554	2,701	2,854
Power Plants		1,029	1,130	883	2,206	2,056	2,056	2,554	2,701	2,854
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares	224		2		333	483	483			
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Retreatment										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets										
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage assets										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment Properties										
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other assets		2,023	2,441	944	1,847	1,817	1,817	1,933	2,043	2,158
Operational Buildings		2,023	2,441	944	1,847	1,817	1,817	1,933	2,043	2,158
Municipal Offices										
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets										
Biological or Cultivated Assets										
Intangible Assets										
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Load Settlement Software Applications										
Unspecified										
Computer Equipment		18	18	18	5	35	35	37	39	42
Computer Equipment		18	18	18	5	35	35	37	39	42
Furniture and Office Equipment										
Furniture and Office Equipment										
Machinery and Equipment		59	61	252	152	152	152	162	171	181
Machinery and Equipment		59	61	252	152	152	152	162	171	181
Transport Assets		1,475	774	1,473	1,663	1,663	1,663	1,770	1,870	1,975
Transport Assets		1,475	774	1,473	1,663	1,663	1,663	1,770	1,870	1,975
Libraries										
Libraries										
Zoo's, Marine and Non-biological Animals										
Zoo's, Marine and Non-biological Animals										
Total Repairs and Maintenance Expenditure	1	11,127	10,372	6,358	11,798	11,798	11,798	12,405	13,114	13,850

Table SA 34 d Depreciation by Asset Class

Description	Ref 1	2014/15	2015/16	2016/17	Current Year 2017/18			2018/19 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousand										
Depreciation by Asset Class/Sub-class										
Infrastructure		5,391	4,500	—	8,340	11,074	11,074	11,019	11,602	12,228
Roads Infrastructure		4,542	4,065	—	5,135	7,870	7,870	7,645	8,045	8,475
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		849	434	—	3,205	3,205	3,205	3,375	3,557	3,753
Power Plants		849	434	—	3,205	3,205	3,205	3,375	3,557	3,753
HV Substations										
HV Switching Stations										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—
Pump Station										
Retreatment										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		—	—	—	—	—	—	—	—	—
Community Facilities										
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		—	—	—	—	—	—	—	—	—
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
Heritage Assets		—	—	—	—	—	—	—	—	—
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment Properties		—	—	—	—	—	—	—	—	—
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating										
Improved Property										
Unimproved Property										
Other Assets		—	—	—	185	185	185	194	205	216
Operational Buildings		—	—	—	185	185	185	194	205	216
Municipal Offices					185	185	185	194	205	216
Pay/Enquiry Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing		—	—	—	—	—	—	—	—	—
Staff Housing										
Social Housing										
Capital Spares										
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets										
Intangible Assets		—	—	—	556	556	556	586	617	651
Servitudes										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications					556	556	556	586	617	651
Load Settlement Software Applications										
Unspecified										
Computer Equipment		210	311	—	33	33	33	35	37	39
Computer Equipment		210	311	—	33	33	33	35	37	39
Furniture and Office Equipment		281	321	—	39	39	39	41	43	46
Furniture and Office Equipment		281	321	—	39	39	39	41	43	46
Machinery and Equipment		—	—	—	115	115	115	121	128	135
Machinery and Equipment					115	115	115	121	128	135
Transport Assets		783	832	—	98	98	98	103	109	115
Transport Assets		783	832	—	98	98	98	103	109	115
Libraries		—	—	—	—	—	—	—	—	—
Libraries										
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals										
Total Depreciation	1	6,665	5,963	—	9,367	12,101	12,101	12,101	12,742	13,430

Table SA 35 Future Financial Implications of the Budget

Vote Description	Ref	2017/18 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive and Council		587	–	–				
Vote 2 - Finance and administration		4,187	5,150	150				
Vote 3 - Community and Social Services		125	29	–				
Vote 4 - Sports and Recreation		56	–	–				
Vote 5 - Public Safety		63	900	–				
Vote 6 - Housing		–	–	–				
Vote 7 - Planning and Development		31,476	33,651	35,727				
Vote 8 - Roads Transport		3,500	–	–				
Vote 9 - Energy Sources		9,000	11,000	15,000				
Vote 10 - Waste Management		650	500	–				
Vote 11 - Other		–	–	–				
-		–	–	–				
-		–	–	–				
-		–	–	–				
-		–	–	–				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		49,642	51,230	50,877	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive and Council		20,455	21,757	23,124				
Vote 2 - Finance and administration		57,248	60,573	64,344				
Vote 3 - Community and Social Services		7,964	8,486	9,035				
Vote 4 - Sports and Recreation		20,831	21,928	23,065				
Vote 5 - Public Safety		15,012	15,854	16,737				
Vote 6 - Housing		1,762	1,867	1,977				
Vote 7 - Planning and Development		21,644	18,014	19,113				
Vote 8 - Roads Transport		13,580	14,328	15,167				
Vote 9 - Energy Sources		36,706	38,092	39,525				
Vote 10 - Waste Management		17,241	18,222	19,242				
Vote 11 - Other		5,479	5,819	6,175				
-								
-								
-								
-								
<i>List entity summary if applicable</i>								
Total future operational costs		217,922	224,940	237,504	–	–	–	–
Future revenue by source	3							
Property rates		33,493	35,403	37,385				
Service charges - electricity revenue		38,309	41,374	44,684				
Service charges - water revenue		–	–	–				
Service charges - sanitation revenue		–	–	–				
Service charges - refuse revenue		9,994	10,563	11,155				
Service charges - other		–	–	–				
Rental of facilities and equipment		717	758	801				
<i>Interest earned- External investment, Outstanding Debt</i>		<i>12,233</i>	<i>12,930</i>	<i>13,654</i>				
<i>List entity summary if applicable</i>								
Total future revenue		94,747	101,029	107,679	–	–	–	–
Net Financial Implications		172,818	175,142	180,702	–	–	–	–

Table SA 36 Detail Capital Budget

Municipal Vote/Capital project	Ref				Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates			Prior year outcomes	2018/19 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4	Program/Project description	Project number	IDP Goal code 2	6	3	3	5	Total Project Estimate	Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	Ward location	New or renewal
Parent municipality:																
List all capital projects grouped by Municipal Vote																
Technical Services		Community hall ward 8			Yes	Community Facilities	Halls					2,500	-	-	8	New
Technical Services		Community hall ward 14			Yes	Community Facilities	Halls					2,500	-	-	14	New
Technical Services		Community hall ward 12			Yes	Community Facilities	Halls					1,500	-	-	12	New
Technical Services		Access roads ward 12			Yes	Roads Infrastructure	Roads					4,655	-	-	12	
Technical Services		Access roads ward 8			Yes	Roads Infrastructure	Roads					3,023	-	-	8	
Technical Services		Access roads ward 15			Yes	Roads Infrastructure	Roads					1,500	-	-	15	
Technical Services		Access roads ward 10			Yes	Roads Infrastructure	Roads					3,726	-	-	10	
Technical Services		Ncotshane sportfield			Yes	Sport and Recreation Facilities	Indoor Facilities					6,000	-	-	10	
Technical Services		Creche ward 5			Yes	Community Facilities	Crèches					1,000	-	-	5	
Technical Services		Various projects			No	Electrical Infrastructure						8,500	-	-		
Technical Services		Access roads ward 3			Yes	Roads Infrastructure	Roads					-	6,162	-	3	
Technical Services		Access roads ward 13			Yes	Roads Infrastructure	Roads					-	6,414	-	13	
Technical Services		Roads Tarring ward 5			Yes	Roads Infrastructure	Roads					-	7,662	-	5	
Technical Services		Sportfield ward 6			Yes	Sport and Recreation Facilities	Indoor Facilities					-	1,438	-	6	
Technical Services		Sportfield ward 15			Yes	Sport and Recreation Facilities	Indoor Facilities					-	1,500	-	15	
Technical Services		Sportfield ward 13			Yes	Sport and Recreation Facilities	Indoor Facilities					-	1,500	-	13	
Technical Services		Creche ward 14			Yes	Community Facilities	Crèches					-	988	-	14	
Technical Services		Creche ward 8			Yes	Community Facilities	Crèches					-	1,222	-	8	
Technical Services		Various projects			No							-	12,000	-		
Technical Services		Various projects			No							-	-	28,223		
												-	-	12,000		
Parent Capital expenditure		1										34,904	38,887	40,223		

Table 37 Projects delayed from previous years

Municipal Vote/Operational project	Ref	Program/Project description	Project number	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2017/18 Medium Term Revenue & Expenditure Framework			Project information
R thousand	4				6			5		Audited Outcome 2015/16	Current Year 2016/17 Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20	Ward location
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>															
					No										
Parent operational expenditure	1											-	-	-	
Entities: <i>List all operational projects grouped by Entity</i>															
Entity A Water project A															
Entity B Electricity project B															
Entity Operational expenditure										-	-	-	-	-	
Total Operational expenditure										-	-	-	-	-	

Table 38 Consolidated detailed operational projects

Municipal Vote/Operational project (Ref)	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	GPS co-ordinates	Total Project Estimate	Prior year outcomes		2018/19 Medium Term Revenue & Expenditure Framework			Project information
									Audited Outcome 2016/17	Current Year 2017/18 Full Year Forecast	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21	
R thousand	4		2	6			5							Ward location
Parent municipality: <i>List all operational projects grouped by Municipal Vote</i>														
Finance and administration	Employee related costs			No				89,103	70,716	75,914	89,103	93,619	98,195	
Finance and administration	Remuneration of councillors							9,864	8,264	9,306	9,864	10,554	11,399	
Finance and administration	Debt impairment							15,707	14,019	14,917	15,707	16,555	17,466	
Finance and administration	Depreciation & asset impairment							12,742	11,373	12,101	12,742	13,430	14,169	
Finance and administration	Finance charges							2,660	888	2,240	2,660	3,019	3,010	
Finance and administration	Bulk purchases							28,812	26,192	26,647	28,812	30,368	32,038	
Finance and administration	Other materials							12,930	4,698	12,213	12,930	13,702	14,456	
Finance and administration	Contracted services							21,998	24,467	23,243	21,998	25,315	23,714	
Finance and administration	Transfers and subsidies							2,544	1,657	2,632	2,544	2,681	2,828	
Finance and administration	Other expenditure							53,639	46,599	49,547	53,639	49,849	52,347	
Parent operational expenditure	1							250,000	208,872	227,960	250,000	259,093	269,622	